COVER SHEET

93269-A
SEC Registration Number

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

Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila
(Business Address: No. Street City/Town/Province)

Mr. Rodolfo T. Malit
(Contact Person)

683-6100
(Company Telephone Number)

09 30
Month *Day*
(Fiscal Year)

AAFS
(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

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SEC Number 93269-A
File Number

ROBINSONS LAND CORPORATION
AND SUBSIDIARIES

(Company's Full Name)

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

(Company's Address)

3971-888

(Telephone Number)

SEPTEMBER 30

(Fiscal Year Ending)
(month & day)

FORM 17-A (ANNUAL REPORT)

Form Type

Amendment Designation (if applicable)

September 30, 2014

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, 2014**

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

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: **₱40,841,746,197.45**

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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 five wholly-owned consolidated subsidiaries and two 51%-owned companies.

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

The Group has 1,818 and 1,695 employees as of September 30, 2014 and 2013, 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, 2014, RLC operated 38 shopping malls, comprising eight malls in Metro Manila and 30 malls in other urban areas throughout the Philippines, and had another seven new malls and three 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, 2014, RLC's Residential Division had completed 71 residential condominium buildings/towers/housing projects, 26 ongoing, of which one project is 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, 2014, this division has completed ten (10) 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 twelve (12) 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 eight Go Hotels, with the flagship in Mandaluyong, five Go Hotels branches in Palawan, Dumaguete, Tacloban, Bacolod, Otis-Manila and two new branches in Iloilo and Ortigas Center.

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 2014.

On November 19, 2010, the Board of Directors approved the increase in the authorized capital stock of RLC from 3,000,000,000 common shares into 8,200,000,000 commons shares, with a par value of one peso (₱1) 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 ₱8.10 billion or 48% of RLC's revenues and ₱5.51 billion or 61% of RLC's EBITDA in fiscal year 2014 and ₱7.39 billion or 46% of RLC's revenues and ₱5.07 billion or 60% of RLC's EBITDA in fiscal year 2013. As of September 30, 2014, the Company's Commercial Centers Division had assets, valued on a historical cost less depreciation basis, of ₱45.89 billion.

During fiscal year 2014, the Commercial Centers Division opened six new malls, increasing its gross floor area by 14.4%. It currently operates 38 shopping malls, comprising eight malls in Metro Manila and thirty (30) malls in other urban areas throughout the Philippines, with a gross floor area of approximately 1.959 million square meters.

As of September 30, 2014, RLC had a portfolio of 38 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
Robinsons Town Mall Malabon	Gov. Pascual Ave. cor. Crispin St., Tinajeros, Malabon	2014	17
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	80
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
Robinsons Place Butuan	J.C. Aquino Avenue, Brgy Libertad, Butuan City	2014	42
Robinsons Place Malolos	MacArthur Highway, Brgy. Sumapang Matanda, Malolos City, Bulacan	2014	68
Robinsons Place Roxas	Immaculate Heart of Mary Avenue, Pueblo de Panay, Brgy. Lawa-an, Roxas City, Capiz	2014	37
Robinsons Place Santiago	Maharlika Highway, Brgy Mabini, Santiago City, Isabela	2014	40
Robinsons Place Antipolo	Sumulong Highway, cor. Circumferential Road, Antipolo City	2014	43
Total			1,959

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 2014, the Company had seven new shopping malls and three 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.

The Group also leases commercial properties to affiliated companies. Rental income arising from the lease of commercial properties to affiliated companies amounted to about ₱1,630 million, ₱1,472 million, and ₱1,406 million in 2014, 2013 and 2012, respectively.

ii. Residential Division

The Residential Division focuses on the construction of residential condominium and subdivision projects. The Division accounted for ₱5.87 billion or 34% of RLC's revenues and ₱1.46 billion or 16% of RLC's EBITDA in fiscal year 2014, and ₱5.58 billion or 35% of RLC's revenues and ₱1.45 billion or 17% of RLC's EBITDA in fiscal year 2013. As of September 30, 2014, the Company's Residential Division had assets, valued on a historical cost less depreciation basis, of ₱27.35 billion.

Percentage of realized revenues from foreign sales to total revenues for fiscal years 2014, 2013 and 2012 are 0.63%, 0.66% and 0.64%, respectively. While percentage of realized revenues from foreign sales to net income for fiscal years 2014, 2013 and 2012 are 2.26%, 2.35% and 2.02%, respectively.

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

Robinsons Luxuria builds its brand on providing a seamless pampered experience via its generous living spaces, distinctive style infrastructure, iconic locations and attention to service and detail. It provides uniquely luxurious living spaces through its projects located in iconic locations such as Cebu, Ortigas Center and Makati. Currently, there are eight residential condominium buildings/towers under the Luxuria portfolio, of which six have been completed and two projects are under various stages of development.

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

Name	Storeys	Number of Units
Current projects		
Signa Designer Residences Tower 1..................................	29	306
Signa Designer Residences Tower 2..................................	28	351
Completed Projects		
Galleria Regency [1] [2]	13	107
AmiSa Private Residences Tower A [1]	14	134

[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*

Name	Storeys	Number of Units
Current projects		
AmiSa Private Residences Tower B [1]	18	155
AmiSa Private Residences Tower C [1]................................	18	189
Sonata Private Residences – Building 1 [1]	29	270
Sonata Private Residences – Building 2 [1]	30	271

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).

2. ***AmiSa Private Residences Towers A, B and C*** are the first 3 of six mid-rise residential condominiums within a mixed-use resort development in Mactan, Cebu.

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 residential condominiums, and two other components.

4. ***Signa Designer Residences Tower 1 and 2*** is part of a two-tower development in Makati City. It is a joint venture project between Robinsons Land Corporation and Security Land Corporation.

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 following table sets forth RLC's existing land bank allocations for the development of new projects in the Luxuria segment as of September 30, 2014:

Location	Acquisition Date	Approximate gross land area [3]
		(in hectares)
Mandaluyong City	2007	0.5
Fort Bonifacio, Taguig City	March 2007 [4]	1.0
Total		1.5

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

2) ROBINSONS RESIDENCES

Robinsons Residences offers the perfect urban home for professionals and urbanites, combining prime locations with contemporary designs, comfortably spacious units, stress-busting amenities and lifestyle perks and privileges.

As of September 30, 2014, Robinsons Residences segment had a portfolio of 27 residential condominium buildings/towers, of which nineteen (19) had been completed and eight 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	727
The Trion Towers – Building 3 …………………………………	50	626
The Magnolia Residences Tower A (1)	36	386
The Magnolia Residences Tower C (1)	38	433
The Sapphire Bloc North Tower	38	412
The Sapphire Bloc West Tower	38	416
Azalea Place Cebu	25	408
The Radiance Manila Bay	36	532
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
Gateway Regency [5]..	31	463
The Magnolia Residences Tower B (1)	38	419
Woodsville Residences	2	185

[5] *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 mixed-use development located on the corner of EDSA and Pioneer Street, which includes Gateway Garden Ridge, the Robinsons Forum 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 Hotels Mandaluyong;
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 Robinsons Otis mall and Go Hotels Otis;
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 include Robinsons Magnolia mall and four 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 44-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, 2 and 3*** compose the 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 along 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 and West Towers*** are part of a four-tower development that features a lifestyle retail podium. It is located on a property bounded by Sapphire, Onyx and Garnet Streets, at the Ortigas Center, conveniently near RLC's Robinsons Galleria mixed-use complex.

12. ***Vimana Verde Residences Towers A, B and C*** is a three mid-rise 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.

14. ***The Radiance Manila Bay*** is a two-tower development that features a lifestyle retail block. It is located along Roxas Boulevard in Pasay City.

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 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, 2014:

Location	**Acquisition Date**	**Approximate gross land area [6]**
		(in hectares)
Maxilom Avenue, Cebu City	September 2008	1.0
Merville, Paranaque City	March 2006	3.2
E. Rodriguez Jr. Ave., Quezon City..................	2011	1.0
Davao City..	September 2012	1.2
Total		6.4

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 their workplace, schools and leisure centers. Robinsons Communities provides convenient community living through its affordable quality condominiums that offer open spaces, fun and functional amenities and complementing commercial spaces. Most of Robinsons Communities' projects are strategically 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, 2014, Robinsons Communities had completed 22 residential condominium buildings/towers and two subdivision projects. It has five on-going projects in different stages that are scheduled for completion over the next five years.

[6] *"Gross Land Area" means the total area of land acquired by the Company*

Robinsons Communities is currently focusing on the development of both Mid-rise and High-rise residential condominium projects that primarily offer compact units with an average price levels below ₱3.0 million. Its condominium projects are located in Metro Manila and Tagaytay City while the subdivisions are in Quezon City.

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		
The Pearl Place - Tower B	34	640
Acacia Escalades - Building A	11	383
Axis Residences - Tower A	37	913
Chimes Greenhills	24	372
Escalades East Tower	11	269
Completed Projects		
Escalades at 20th Avenue - Tower 1	10	120
Escalades at 20th Avenue - Tower 2	10	120
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	33	653
Wellington Courtyard - Bldg A	5	34
Wellington Courtyard - Bldg B	5	34
Wellington Courtyard - Bldg C	5	45
Wellington Courtyard - Bldg D	5	41
Wellington Courtyard - Bldg E	5	38
Gateway Garden Ridge	15	373
Woodsville Viverde Mansions - Bldg 1	8	72
Woodsville Viverde Mansions - Bldg 2	8	96
Woodsville Viverde Mansions - Bldg 3	10	90
Woodsville Viverde Mansions - Bldg 4	12	108
Woodsville Viverde Mansions - Bldg 5	8	72
Woodsville Viverde Mansions - Bldg 8	8	72
Woodsville Viverde Mansions - Bldg 6	8	64
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 in Paranaque. It includes a village mall and a cluster of residential mid-rise buildings.

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 twelve (12) storeys composed of ten (10) residential floors, ground amenity floor and basement parking. While Building 2 to 6 are composed of ten (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 29 to 83 square meters.

4. ***Gateway Garden Ridge*** is part of the Pioneer mixed-use development in Mandaluyong which includes Robinsons Forum mall, four office buildings, Go Hotels Mandaluyong and several other residential buildings.

5. ***Escalades South Metro*** is a residential development located in Sucat, Muntinlupa. Comprising of six mid-rise residential buildings, it also boasts of generous open spaces 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, inventors, retirees and young/urban professionals, The Pearl Place boasts of affordable compact residential units in a modern setting. The development contains amenities at the 6th floor 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 mid-rise buildings and is envisioned to have a commercial component within the community.

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

10. ***Centennial Place*** - This is a 0.5-hectare 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.

11. ***Chimes Greenhills*** is a 40-storey development that incorporates a hotel component with 24 floors of residential floors, located at Annapolis St., Greenhills San Juan.

12. ***Escalades East Tower*** is a 14-storey residential development located along 20th Ave., Cubao, QC and is part of the Escalades at 20th Ave. complex.

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. 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, 2014:

Location	Acquisition Date	Approximate land area [7]
		(in hectares)
Cubao, Quezon City	2004	0.3
Sucat, Muntinlupa [8]	2002	1.5
Manggahan, Pasig City	2010	0.4
Las Pinas City	2011	1.9
Total		4.1

4) ROBINSONS HOMES

Robinsons Homes is one of the four residential brands of 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, 2014, Robinsons Homes has 33 projects in its portfolio. Eleven (11) of these projects are on-going construction, one of which is awating for the receipt of License to Sell (LS) to launch. Among the 33

[7] *"Land Area" means the area of land available for project expansion or future project development.*
[8] *This property is part of a mixed-use development of RLC, and represents the unused residential portion only.*

projects, 22 have been substantially completed and sold. Key details of RLC's projects in Robinsons Homes as of fiscal year 2014 are set forth in the table below:

Name	Location	Started [9]	Approximate Gross Land Area [10]	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
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	365
Aspen Heights...............................	Consolacion, Cebu	July 2007	25.0	583
Blue Coast Residences.................	Cebu	November 2007	3.2	79
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	June 2012	9.6	390
Bloomfields Heights Lipa	Lipa, Batangas	July 2012	12.4	340
Nizanta at Ciudades	Davao City	March 2013	12.9	477
Bloomfields Cagayan De Oro..........	Cagayan De Oro City	March 2013	6.5	144
Brighton Baliwag............................	Baliwag, Bulacan	April 2014	15.7	524
Bloomfields General Santos……….	General Santos City	May 2014	33.0	755
Monte Del Sol……………………….	Misamis Oriental	-	3.3	256

The Robinsons Homes portfolio of projects are described as follows:

[9] *The Company considers a project "started" when it has obtained permits necessary that allow it to pre-sell lots.*
[10] *"Gross Land Area" means the total area of land acquired by the Company*

1. ***Robinsons Homes East*.** A 41-hectare community development located in Brgy. San Jose, Antipolo City, Rizal. The development consists of three 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 fourteen (14) shop house units at 190sqm/unit and eight 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 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 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 365-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 79 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.

33. ***Brighton Baliwag.*** A 15.7 hectare residential development located in Brgy. Sta. Barbara, Baliwag, Bulacan. This Mediterranean themed subdivision offers 524 residential lots with a predominant lot cut of 180 square meters.

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, 2014, RLC was awaiting the receipt of License to Sell (LS) to launch one new project by Robinsons Homes. This project is Monte Del Sol and will comprise a total of approximately 256 units.

The Company's Business Plan for Robinsons Homes, subject to market conditions, is to launch at least three 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, 2014, it was in various stages of negotiations for the acquisition of approximately 85 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 ₱1.54 billion or 9% of RLC's revenues and ₱1.48 billion or 16% of RLC's EBITDA in fiscal year 2014, and ₱1.44 billion or 9% of RLC's revenues and ₱1.39 billion or 16% of RLC's EBITDA in fiscal year 2013. As of September 30, 2014, the Company's Office Buildings Division had assets, valued on a historical cost less depreciation basis, of ₱9.51 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, 2014, the Office Buildings Division has completed ten (10) office buildings, and is developing three 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

Name, Location		Size & Designation	Approximate gross floor area
Robinsons Cybergate Cebu …………………	Fuente Osmena, Bo. Capitol, Cebu City	3-storey	7,000 sq.m
Cyberscape Alpha.....................................	Sapphire and Garnet Roads, Pasig City	26-storey	70,000 sq.m
Cyberscape Beta.......................................	Ruby and Topaz Roads, Pasig City	37-storey	61,000 sq.m

The Company's completed 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, 2014, 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, 2014, 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 97% occupancy rate as of September 30, 2014.

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 100% occupancy rate as of September 30, 2014.

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, 2014.

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, 2014.

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 43,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Center Tower 3 had a 99.7% occupancy rate as of September 30, 2014.

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 2^{nd}, 7^{th} to 12^{th} 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, 2014.

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. As of September 30, 2014, the office floors had an occupancy rate of 100%.

9. ***Cyberscape Alpha.*** This is a 26-storey building, located along Sapphire and Garnet Roads within the Ortigas CBD, only a stone's throw away from Robinsons Galleria. The building has 3 hotel floors with an approximate area of 6,000 square meters and small-cut retail spaces at the ground floor. The office floors are located from the 5^{th} to the 26^{th} levels. The building has a gross floor area of approximately 71,000 square meters and leasable area of approximately 44,000 square meters. RLC owns 100% of the gross floor area. Cyberscape Alpha had a 46% occupancy rate as of September 30, 2014.

10. ***Cyberscape Beta.*** This is a 37-storey building, located along Topaz and Ruby Roads within the Ortigas CBD. Retail spaces are located at the Ground and Mezzanine levels. The office floors are located from the 9^{th} to the 37^{th} levels. The building has a gross floor area of approximately 64,000 square meters and leasable area of approximately 42,000 square meters. RLC owns 100% of the gross floor area. Cyberscape Beta had a 68% occupancy rate as of September 30, 2014.

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 twelve (12) hotel properties. As of September 30, 2014, the Company's Hotels Division had assets, valued on a historical cost less depreciation basis, of

₱2.63 billion.

The hotels division accounted for ₱1.53 billion or 9% of RLC's revenues and ₱526.3 million or 6% of RLC's EBITDA in fiscal year 2014, and ₱1.50 billion or 9% of RLC's revenues and ₱527 million or 6% of RLC's EBITDA in fiscal year 2013.

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.

Encouraged by positive response to the Company's mid-scale hotel brand, more Summit Hotels are earmarked for development. The first Summit Hotel in Metro Manila will soon open by the end of 2014. Located within the Magnolia Town Center along New Manila, its 82 contemporary-designed guest rooms and suites will deliver the live-work-play promise of the complex and anchors itself as the center's boutique shopping hotel.

Serving over 600,000 guests to date, Go Hotels has steadily increased its presence in the Philippines with eight operational branches, offering a total of more than 1,100 rooms, in strategic cities across the country. To continue serving its guests in key cities, Go Hotels will soon be in Butuan and Davao. Its thrust is to build in locations with high market demand. Thus, prior to the decision to expand, the Company cautiously studies the location as market characteristics differ. To support expansion of the brand, Go Hotels has also opened its business to franchising.

The table below sets out certain key details of RLC's hotel portfolio as of September 30, 2014:

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	Economy	223
Go Hotel …………………………..	Puerto Princesa City, Palawan	Economy	108
Go Hotel …………………………..	Dumaguete City, Negros Oriental	Tourist Inn	102
Go Hotel …………………………..	Tacloban City, Leyte	Tourist Inn	98
Go Hotel …………………………..	Bacolod City, Negros Occidental	Economy	108

Go Hotel …………………………..	Paco, Manila	Economy	118
Go Hotel …………………………..	Iloilo City	Economy	167
Go Hotel …………………………..	Ortigas Center, Pasig City	Economy	198
Total			1,988

As of September 30, 2014, the Company's Hotels Division has an average occupancy rate of 68%.

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 eight Go Hotels directly.

As of fiscal year 2014, the Company had two new Go Hotel branches and two expansion projects in the planning and development stage for completion in the next two years.

c) Significant Subsidiaries

As of September 30, 2014, RLC has five wholly-owned subsidiaries and two 51%-owned subsidiaries, 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, AAI and ASN.

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 100%-owned by the Parent Company starting March 2013. Prior to the buy out, ASNC is 80% owned by the Parent Company. 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.

7. ***GoHotels Davao, Inc.*** GoHotels Davao, Inc. (GHDI) was incorporated on March 13, 2013, has a registered share capital of 100,000,000 and is 51%-owned by the Parent Company. GHDI is a joint venture within the Company's Hotels Division and Udenna Development Corporation (UDEVCO). GHDI's principal business is to establish, acquire, own, develop, operate and manage hotels and/or transient guest lodging services under the "gohotels.ph" mark and other similar and ancillary facilities and services related to the hospitality and allied industries, offer such services and merchandise to the public in connection with the operation of hotels and/or transient guest lodging services, and to make and enter into all kinds of contracts, agreements and obligations with any person, partnership, corporation or association for the leasing of commercial space or the disposition, sale, acquisition of goods, wares, merchandise, and services of all kinds and to do 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.

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, 2014, the mall segment of SM has ₱240.3 billion and ₱98.4 billion while the mall segment of ALI has ₱69.62 billion and ₱49.69 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 brand 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 aims to increase its share of this elite market segment and steer buyers of competitors such as ALI, Rockwell Land (Rockwell) and Megaworld Corporation (Megaworld) to its developments. Rockwell's total assets and equity accounts as of September 30, 2014 amounted to ₱37.6 billion and ₱12.0 billion, respectively while Megaworld's total assets and equity accounts as of September 30, 2014 amounted to ₱216.9 billion and ₱109.9 billion, respectively. In 2013, the International Property Awards for Asia Pacific awarded RLC's Signa Designer Residences as the Best Residential Condominium in the Philippines.

2. ***Robinsons Residences***

   RLC's competitors (ALI, Megaworld, Filinvest, and Ortigas & Co.) under this segment targets the same market and offers similar products. There are also a number of players who try to compete in this segment of the market with one or two projects. Projects under Robinsons Residences remains one of the top of mind developments as a result of our growing experienced sales and distribution network and our convenient locations. Our projects are found within Central Business Districts or a RLC mixed-use development. In 2013, the International Property Awards for Asia Pacific awarded RLC's Magnolia Town Center as the Best Mixed-Use Development in the Philippines.

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, 2014, total assets and equity accounts amounted to ₱102.4 billion and ₱50.3 billion, respectively, for FL while total assets and equity accounts of SM Prime Holdings Inc. (SMDC was ultimately merged with SM Prime Holdings thru SM Land in 2013) as of September 30, 2014 amounted to ₱385.1 billion and ₱177.2 billion, 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 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 four sub-brands namely: *Happy Homes* for socialized housing, *Springdale* for our affordable market segment, *Brighton* for our mid-cost development and *Bloomfields* for our high-end market.

It stands in close competition with ALI, FL and Vista Land (VL). Total assets and equity accounts of VL as of September 30, 2014 amounted to ₱106.2 billion and ₱51.8 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, Megaworld and SM. 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 is a preferred destination in the global tourism industry because of its competitiveness in terms of pricing hotel rooms and airline ticket, natural resources and eco-tourism.

However, concerns on safety and security / travel advisories, infrastructure and health and hygiene must be addressed. 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.

The tourism outlook in the Philippines seems optimistic, driven by the presence of low cost carriers and with several hotels opening in Makati, Ortigas, and Fort Bonifacio CBD. With total expected supply of 8,500 rooms from year 2014-2017, the DOT aims to attract 6.8 million tourists by end of 2014 and increase to 10 million by 2016. Taking advantage of the increasing inbound and outbound travels looking for accommodation, a number of local and foreign competitors have entered or signified interest to enter the country. These chains, considered competitors of the Company's Go Hotels, include Tune Hotels of Malaysia, Fave Hotels of Indonesia, Microtel by Wyndham and the local Islands Stay Hotels. Other hotel chains which have also been growing geographically include Park Inn by Radisson, Seda Hotels by Ayala, and Remington Hotel. These hotel chains cater to the mid-scale market and are thus considered competitors of the Company's Summit Hotel brand. In the Ortigas Central Business District, new players such as Marco Polo, Citadines, Accor, Exchange Regency and Oakwood compete with the Company' two IHG-managed hotels. The Crowne Plaza Manila Galleria has undergone a repositioning program from the Place to Meet to Traveling for Success that aims 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, 2014, RLC and its subsidiaries had a total of 5,515 employees, including 1,818 permanent full-time managerial and support employees and approximately 3,697 contractual and agency employees, grouped by business divisions as follows:

Business	Permanent Employees	Contract Employees	Total Employees
Commercial Centers Division	816	2,796	3,612
Office Buildings Division	19	165	184
Residential Division	380	281	661
Hotels Division	603	455	1,058
Total	1,818	3,697	5,515

The 1,818 permanent full-time managerial and support employees of RLC and its subsidiaries as of September 30, 2014 can be broken down by function as follows:

FUNCTION	NO. OF EMPLOYEES
Operational	684
Administrative	801
Technical	333
Total	**1,818**

The Company foresees an increase in its manpower complement to 2,429 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.

Vacation leaves, sick leaves, 13th month pay and retirement benefits are provided to employees, among others, subject to company policies and procedures.

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/hotel)	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)	No encumbrances
Paranaque City	Residential	No encumbrances
Muntinlupa City	Mixed-use (mall/residential)	No encumbrances
Las Pinas City	Mall	No encumbrances
Taguig City	Residential	No encumbrances
Malabon City	Mall	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/Mall	No encumbrances
Isabela	Mall	No encumbrances
Luzon area	Land bank	No encumbrances
Visayas		
Iloilo	Mixed-use (mall/hotel)	No encumbrances
Bacolod City	Mall	No encumbrances
Cebu	Mixed-use (mall/hotel/residential)	No encumbrances
Negros Oriental	Mixed-use (mall/hotel)	No encumbrances

Leyte	Mall	No encumbrances
Roxas City	Mall	No encumbrances
Visayas area	Land bank	No encumbrances
Mindanao		
Agusan Del Norte	Mall	No encumbrances
Cagayan De Oro City	Residential	No encumbrances
Davao	Mall	No encumbrances
South Cotabato	Mall/ Residential	No encumbrances
Butuan City	Mall	No encumbrances
Mindanao Area	Land bank	No encumbrances
Building and Improvements		
Metro Manila		
Manila	Mixed-use (mall/residential/hotel)	No encumbrances
Quezon City	Mixed-use (mall/hotel/residential)	No encumbrances
Mandaluyong City	Mixed-use (mall/hotel/residential/office)	No encumbrances
Makati City	Office Building	No encumbrances
Pasig City	Mixed-use (mall/hotel/residential/office)	No encumbrances
Malabon City	Mall	No encumbrances
Las Pinas City	Mall	No encumbrances
Muntinlupa City	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
Palawan	Mixed-use (mall/hotel/residential)	No encumbrances
Rizal	Mall	No encumbrances
Pangasinan	Mall	No encumbrances
Isabela	Mall	No encumbrances
Visayas		
Iloilo City	Mixed-use (mall/hotel)	No encumbrances
Bacolod City	Mall	No encumbrances
Cebu	Mixed-use (mall/hotel/office/residential)	No encumbrances
Negros Oriental	Mall	No encumbrances
Leyte	Mall	No encumbrances
Roxas City	Mall	No encumbrances
Mindanao		
Cagayan De Oro City	Mall	No encumbrances
Davao City	Mall	No encumbrances
South Cotabato	Mall	No encumbrances
Agusan Del Norte	Mall	No encumbrances

The Company owns all the land 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 land 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 ₱152 million in 2014, ₱109 million in 2013 and ₱162 million in 2012.

Capital expenditure incurred for fiscal years 2014, 2013 and 2012 amounted to ₱14.2 billion, ₱13.2 billion and ₱9.5 billion, respectively, representing about 83%, 83% and 71% of revenues in those years, respectively.

The Company has budgeted ₱17 billion capital expenditures covering land and constructions for fiscal year 2015. These will be funded through cash from operations and borrowings. 66% will be allocated for the construction of malls, office buildings and hotels, 23% will be spent for the residential division while 11% will be for land acquistion.

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. The Philippine Department of Tourism is in the process of revising the current classification from Hotel Class System to Hotel Star Rating System.

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 2014, 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 aggregate cost of compliance with environmental laws covering all business segments including waste management, among others, amounted to ₱20.4 million in 2014, ₱12.3 million in 2013 and ₱13.0 million in 2012.

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.

	2014			2013			2012		
Quarter	**High**	**Low**	**Close**	**High**	**Low**	**Close**	**High**	**Low**	**Close**
1	20.10	19.92	19.96	21.40	20.75	20.75	11.46	11.28	11.30
2	21.25	21.00	21.05	26.20	25.00	25.50	16.90	16.40	16.50
3	23.85	23.35	23.60	21.55	20.25	20.30	17.50	17.30	17.42
4	24.65	24.25	24.35	21.00	20.55	20.60	19.20	18.76	19.04

Additional information as of December 31, 2014 are as follows:

Market Price:	**Fiscal Year 2015**	**High**	**Low**
	Oct. to Dec. 2014	₱26.50	₱25.20

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 2014, 2013 and 2012.

For fiscal year 2014, the Company declared a cash dividend of ₱0.36 per share from unrestricted Retained Earnings as of September 30, 2013 to all stockholders on record as of May 29, 2014. The cash dividends were paid out on June 25, 2014.

For fiscal year 2013, the Company declared a cash dividend of ₱0.36 per share from unrestricted Retained Earnings as of September 30, 2012 to all stockholders on record as of May 10, 2013. The cash dividends were paid out on June 6, 2013.

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.

RLC's unappropriated retained earnings include accumulated equity in undistributed net earnings of subsidiaries amounting to ₱699 million, ₱517 million, and ₱408 million in 2014, 2013 and 2012. These amounts are not available for dividend declaration until received in the form of dividends.

Furthermore, retained earnings are restricted for payment of dividends to the extent of the cost of shares held in treasury amounting to ₱222 million and amount appropriated for expansion totaling ₱17 billion.

Item 8. Principal Shareholders

The following table sets forth the Company's top twenty (20) shareholders and their corresponding number of shares held as of September 30, 2014:

	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)	1,041,797,976	25.45%
3	PCD Nominee Corporation (Filipino)	521,660,599	12.74%
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.	904,200	0.02%
10	Alberto Mendoza &/or Jeanie Mendoza	532,800	0.01%
11	Frederick D. Go	500,001	0.01%
12	Elizabeth Yu Gokongwei	499,500	0.01%
13	Robina Y. Gokongwei-Pe	360,000	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	Lisa Yu Gokongwei	180,000	0.00%
18	FEBTC #103-00507	156,240	0.00%
19	Francisco L. Benedicto	150,000	0.00%
19	Ching Tiong Keng and/or Cynthia D. Ching	150,000	0.00%
20	Arthur C. Uy	144,000	0.00%
	OTHERS	8,112,471	0.21%
	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, 2014 versus same period in 2013

RLC generated total gross revenues of ₱17.05 billion for fiscal year 2014, an increase of 7% from ₱15.90 billion total gross revenues for fiscal year 2013. EBIT grew 4% to ₱6.24 billion while EBITDA posted a 6.3% growth to ₱8.97 billion. Net income stood at ₱4.73 billion, up by 5.8% compared to last year.

The Commercial Centers Division accounted for ₱8.10 billion of the real estate revenues for the year versus ₱7.39 billion last year or a 9.7% increase. The newly opened malls namely, Robinsons Malolos, Robinsons Butuan, Robinsons Santiago, Robinsons Roxas and Robinsons Malabon contributed to the increase in revenues. In addition, Robinsons Magnolia, Robinsons Palawan and Robinsons Iloilo contributed to the growth while most provincial malls also posted decent growth in rental revenues. The Division's EBIT and EBITDA grew by 5.8% and 8.5%, respectively.

The Residential Division realized revenues rose to ₱5.87 billion for the year versus ₱5.58 billion last year, an increase of 5%, due to higher level of buyers meeting the equity requirement of 15% in recognizing sales based on percentage of construction completion. Both EBIT and EBITDA have shown positive variances of 1.2% and 0.8%, respectively.

Revenues of Office Buildings Division grew by 7% to ₱1.54 billion from ₱1.44 billion over the same period last year. This 7% increase in lease income was due to new office buildings Cyberscape Alpha and Cyberscape Beta, with occupancy rates of 46% and 68% as of September 30, 2014, respectively. The Division's EBIT and EBITDA showed positive variances of 3.7% and 6.5%, respectively.

The Hotels Division, a major contributor to the Company's recurring revenues, registered gross revenues of ₱1.53 billion as against last year's ₱1.50 billion. The 2.5% increase in hotel revenues was principally due to additional new Go Hotels Iloilo and Go Hotels Ortigas Center which opened in fiscal year 2014.

The hotel average occupancy rates are 80% for Crowne Plaza Manila Galleria (CPMG), 78% for Holiday Inn Manila Galleria (HIMG), 55% for Summit Circle Cebu (formerly Cebu Midtown Hotel), 44% for the Summit Ridge Hotel and 67% for Go Hotels. Hotels Division EBIT grew by 5.6%, while EBITDA is flat at ₱527 million in 2014 and 2013.

Interest income decreased to ₱14.6 million from ₱113.4 million last year due to lower average balance of cash and cash equivalents during the fiscal year 2014.

Real estate cost and expenses went up by 8% to ₱7.06 billion from ₱6.56 billion last year. The opening of new malls raised the level of depreciation expense of Commercial Centers by ₱245 million or 13% while opening of new office buildings increased depreciation expense of the Office Buildings Division by ₱53 million or 14%. Furthermore, cinema expense rose by 19% or ₱90 million due to higher level of cinema operations which in turn resulted to higher cinema revenues.

Hotel expenses rose by 1.5% to ₱1.17 billion due substantially to higher level of cost of food and beverage, salaries and wages and contracted services among others, which were all due to higher level of operations brought about by the newly opened Go Hotels branches.

General and administrative expenses went up by 17% due to higher salaries, advertising and promotions and insurance expense, among others.

Total assets of the Company stood at ₱85.37 billion, a growth of 14% from ₱74.89 billion in 2013. Receivables (current and noncurrent net) increased by 33% or ₱1.65 billion due substantially to higher level of installment contracts receivables.

Subdivision land, condominium and residential units for sale grew by 26% due to the reclassification of land from Investment Properties amounting to ₱1.76 billion as of September 30, 2014.

Investment Properties and Property and Equipment both increased by 9% due to acquisition of several land properties both for residential and commercial development. The completion of construction of Robinsons Malolos, Robinsons Butuan, Robinsons Santiago, Robinsons Roxas, Robinsons Malabon and Robinsons Antipolo during the fiscal year and ongoing mall constructions at Robinsons Maxilom and Robinsons Las Pinas contributed to the increase. While other noncurrent assets increased by 104% due to increase in utility deposits, and prepaid rental as a result of ASNC's (wholly-owned subsidiary of RLC) assignment to RLC of all its rights, interests and obligations under a long-term contract of lease of land located in Taguig City.

Loans Payable (current and noncurrent) increased by 42% due to availment of ₱10 billion term loans and additional short-term loans of ₱8 billion offset by payment of ₱10 billion bonds payable that matured in 2014. Accounts payable and accrued expenses increased by 17% due to higher level of capital and operational expenditures. Deposits (current and noncurrent) and Other liabilities went up by 12% to ₱6.92 billion due to higher level of deposits from lessees of newly opened malls and higher deposits from real estate buyers.

Equity attributable to equity of the Parent Company as of September 30, 2014 stood at ₱52.44 billion, up by 6.6% from ₱49.17 billion last year due to the earnings during the year of ₱4.74 billion net of payment of dividends of ₱1.47 billion.

A summary of RLC's key performance indicators follows:

	2014	2013
Gross revenues	₱17.05 billion	₱15.90 billion
EBIT	6.24 billion	5.98 billion
EBITDA	8.97 billion	8.44 billion
Net income	4.73 billion	4.48 billion
Earnings per share	1.16	1.09
Net book value per share	12.81	12.01
Current ratio	1.41:1	0.95:1
Debt-to-equity ratio	0.34:1	0.26:1
Interest coverage ratio	6.96:1	6.15:1
Asset to equity ratio	1.62:1	1.52:1
Operating margin ratio	0.37:1	0.38:1

Capital expenditures for the fiscal year ended September 30, 2014 amounted to ₱14.1 billion. Funding for the capital expenditures was sourced from proceeds of short-term and long-term loans and internally generated funds.

ii. Year ended September 30, 2013 versus same period in 2012

RLC generated total gross revenues of ₱15.90 billion for fiscal year 2013, an increase of 18% from ₱13.52 billion total gross revenues for fiscal year 2012. EBIT grew 14% to ₱5.98 billion while EBITDA posted a 15% growth to ₱8.44 billion. Net income stood at ₱4.48 billion, up by 5% compared to last year.

The Commercial Centers Division accounted for ₱7.39 billion of the real estate revenues for the year versus ₱6.43 billion last year or a 15% increase. Metro Manila malls led by Robinsons Galleria and Robinsons Place Manila contributed to the growth while most provincial malls also posted decent growth in rental revenues. The Division's EBIT and EBITDA grew by 7% and 12.9%, respectively.

The Residential Division realized revenues rose to ₱5.58 billion for the year versus ₱4.30 billion last year, an increase of 29.6%, due to the adoption of a buyer's equity requirement closer to prevailing industry practice in recognizing sales based on percentage of construction completion. Both EBIT and EBITDA have shown a positive variances of 41.4% and 39.8%, respectively.

Revenues of Office Buildings Division grew by 3.1% to ₱1.44 billion from ₱1.40 billion over the same period last year. This 3.1% increase in lease income was due to improved or escalated rental rates of the leased spaces. The Division's EBIT and EBITDA showed positive variances of 5% and 3%, respectively.

The Hotels Division, a major contributor to the Company's recurring revenues, registered gross revenues of ₱1.50 billion as against last year's ₱1.38 billion. The 8% increase in hotel revenues was principally due to higher occupancy rate of Holiday Inn, Summit Circle Cebu and Summit Ridge and an additional new Go Hotels Otis-Manila which opened in fiscal year 2013. The hotel average occupancy rates are 82% for Crowne Plaza Manila Galleria (CPMG), 81% for Holiday Inn Manila Galleria (HIMG), 57% for Summit Circle Cebu (formerly Cebu Midtown Hotel), 45% for the Summit Ridge Hotel and 68% for Go Hotels. Hotels Division EBIT grew by 26%, while EBITDA showed a positive variance of 19%.

Interest income decreased to ₱113.4 million from ₱493.0 million last year due to lower level of cash and cash equivalents.

Real estate cost and expenses went up by 25% to ₱6.56 billion from ₱5.26 billion last year. The higher level of realized sales of residential units brought cost of real estate sales to increase by 30% or ₱700 million. Moreover, the opening of new malls raised the level of depreciation expense of Commercial Centers by ₱360 million or 19%. Furthermore, cinema expense rose by 25% or ₱96 million due to higher level of cinema operations which in turn resulted to higher cinema revenues. Other expenses went up by 63% due mainly to higher contracted services, among others.

Hotel expenses rose by 4% to ₱1.16 billion due substantially to higher level of property and maintenance cost, depreciation, salaries and wages, contracted services, which were all due to higher level of operations brought about by higher room and food revenues.

General and administrative expenses went up by 16% due to higher salaries, advertising and promotions and taxes and licenses, among others. Interest expense decreased by 68% due to higher level of capitalizable interest covering various capital expenditures.

Total assets of the Company stood at ₱74.89 billion, a growth of 6% from ₱70.65 billion in 2012. Cash and cash equivalents decreased by ₱4.8 billion mainly due to the payment of ₱2.0 billion bonds payable that matured in June 2013 and capital expenditures for new and ongoing projects. Receivables (current and noncurrent net) increased by 13% or ₱567 million due substantially to higher level of installment contracts receivables.

Subdivision land, condominium and residential units for sale grew by 9% due to higher level of capital expenditures for new and ongoing projects under the

Residential division while other current assets rose by 37% due to restricted cash held in escrow for the acquisition of several land properties amounting to ₱930 million.

Investment Properties and Property and Equipment increased by 14% and 13%, respectively, due to acquisition of several land properties both for residential and commercial development. The completion of construction of Robinsons Place Iloilo expansion during the fiscal year and ongoing mall constructions at Robinsons Maxilom, Robinsons Malolos, Robinsons Butuan, Robinsons Roxas, Robinsons Malabon and Robinsons Santiago contributed to the increase.

Loans Payable (current and noncurrent) decreased due to payment of ₱2 billion bonds that matured in June 2013. Deposits (current and noncurrent) and Other liabilities went up by 4% to ₱6.15 billion due to higher level of deposits from lessees of newly opened malls and higher deposits from real estate buyers.

Equity attributable to equity of the Parent Company as of September 30, 2013 stood at ₱49.17 billion, up by 6% from ₱46.28 billion last year due to the earnings during the year of ₱4.48 billion net of payment of dividends of ₱1.47 billion.

A summary of RLC's key performance indicators follows:

	2013	2012
Gross revenues	₱15.90 billion	₱13.52 billion
EBIT	5.98 billion	5.24 billion
EBITDA	8.44 billion	7.32 billion
Net income	4.48 billion	4.25 billion
Earnings per share	1.09	1.04
Net book value per share	12.01	11.30
Current ratio	0.95:1	2.55:1
Debt-to-equity ratio	0.26:1	0.26:1
Interest coverage ratio	6.15:1	4.44:1
Asset to equity ratio	1.52:1	1.52:1
Operating margin ratio	0.38:1	0.39:1

Capital expenditures for the fiscal year ended September 30, 2013 amounted to ₱13.2 billion. Funding for the capital expenditures was sourced from proceeds of stock rights offering and internally generated funds.

iii. 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 four 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 increased by 11% and and Property and Equipment decreased by 1% 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 16% due to increase in level of capital expenditures. Loans Payable decreased due to payment of ₱3 billion bonds that matured in May 2012.

Stockholder's Equity as of September 30, 2012 stood at ₱46.28 billion, up by 19% from ₱38.78 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	5.24 billion	4.53 billion
EBITDA	7.32 billion	6.64 billion
Net income	4.25 billion	3.97 billion
Earnings per share	1.04	1.16
Net book value per share	11.30	9.48
Current ratio	2.55:1	2.36:1
Debt-to-equity ratio	0.26:1	0.38:1
Interest coverage ratio	4.44:1	3.71:1
Asset to equity ratio	1.52:1	1.66:1
Operating margin ratio	0.39:1	0.35:1

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.

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 66) are filed as part of this Form 17-A (pages 67 to 168).

Item 12. Information on Independent Accountant and Other Related Matters

a) External Audit Fees and Services

Audit and Audit-Related Fees

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

Name	2014	2013
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	₱ 3,474,430	₱ 3,474,448
All Other Fees...	4,400,000	2,339,949
TOTAL	₱ 7,874,430	₱ 5,814,397

No other service was provided by external auditors to the Company for the fiscal years 2014 and 2013.

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, 2014, 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 11)	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 12)	Non-Filipino	1,041,797,976	25.45%
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	521,660,599	12.74%

Notes:

11 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.

12 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 the PCD Nominee Corporation account, "Deutsche Bank Manila - Clients" and "The Hongkong and Shanghai Banking Corp. Ltd. - Clients Account" - (Non-Filipino) holds for various trust accounts the following shares of the Corporation as of September 30, 2014:

	No. of shares held	% to total outstanding
Deutsche Bank Manila-Clients	469,293,069	11.46%
The Hongkong and Shanghai Banking Corp. Ltd. - Clients Acct.	354,819,499	8.67%

b) Security Ownership Of Management as of September 30, 2014

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. John L. Gokongwei, Jr.	Chairman Emeritus	14,119,081 (see note 2)	Filipino	0.35%
Common	2. James L. Go	Chairman	1,685,994	Filipino	0.04%
Common	3. Lance Y. Gokongwei	Vice Chairman and Chief Executive Officer	804,001	Filipino	0.02%
Common	4. Frederick D. Go	President & COO	500,001	Filipino	0.01%
Common	5. Arlene G. Magtibay	General Manager	0		*
	Sub-Total		17,109,077		0.42%
B. Other Directors, Executive Officers and Nominees					
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)	50,001	Filipino	*
Common	10. Roberto F. de Ocampo	Director (Independent)	1	Filipino	*
Common	11. Emmanuel C. Rojas, Jr.	Director (Independent)	901	Filipino	*
Common	12. Rodolfo T. Malit	First Vice President – Controller	54,600	Filipino	*
	Subtotal		655,504		0.01%
C. All directors and executive officers as a group unnamed			17,764,581		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, 2014

[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, 2014

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, 2014.

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, 2014:

Name	Age	Position	Citizenship
John L. Gokongwei, Jr.	88	Director, Chairman Emeritus	Filipino
James L. Go............................	75	Director, Chairman	Filipino
Lance Y. Gokongwei................	47	Director, Vice Chairman & Chief Executive Officer	Filipino
Frederick D. Go.......................	45	Director, President & Chief Operating Officer	Filipino
Patrick Henry C. Go	44	Director	Filipino
Johnson Robert G. Go, Jr.	49	Director	Filipino
Robina Y. Gokongwei-Pe..........	53	Director	Filipino
Artemio V. Panganiban.............	77	Director (Independent)	Filipino
Roberto F. de Ocampo.	68	Director (Independent)	Filipino
Emmanuel C. Rojas, Jr.............	78	Director (Independent)	Filipino
Faraday D. Go…………………..	38	General Manager	Filipino
Arlene G. Magtibay..................	51	General Manager	Filipino
Corazon L. Ang Ley……………	47	General Manager	Filipino
Elizabeth Kristine D. Gregorio..	42	General Manager	Filipino
Constante T. Santos…………...	66	Senior Vice President	Filipino
Bach Johann M. Sebastian……	53	Senior Vice President	Filipino
Rodolfo T. Malit…………………	59	First Vice President	Filipino
Emmanuel G. Arce……………..	56	Vice President	Filipino

Name	Age	Position	Citizenship
Manuel D. Deus, Jr.………….....	66	Vice President	Filipino
Constantino C. Felipe…………	51	Vice President	Filipino
Ma. Socorro Isabelle V. Aragon-Gobio…………………..	41	Senior Vice President	Filipino
Winifred G. Maranan…………..	53	Vice President	Filipino
Kerwin Max S. Tan	44	Vice President – Treasurer	Filipino
Anicio G. Villanueva………….....	62	Vice President	Filipino
Cecilia M. Pascual ………….....	55	Vice President	Filipino
Mary Maylanie L. Precilla.........	40	Vice President	Filipino
Honorio Almeida......................	56	Vice President	Filipino
Lourdes T. Alano………………	52	Vice President	Filipino
Catalina M. Sanchez…………..	35	Vice President	Filipino
Anna Kathrina B. Cipriano…….	38	Vice President	Filipino
Rosalinda F. Rivera	44	Corporate Secretary	Filipino

The above directors and officers have served their respective offices since May 12, 2014. 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., 88, founded RLC in 1980 and has been the Chairman Emeritus of RLC effective January 1, 2002. 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 Foundation, Inc., Chairman and Chief Executive Officer of Robinsons Retail Holdings, Inc., Deputy Chairman and Director of United Industrial Corporation Limited and Singapore Land Limited, and a director of Cebu Air, Inc. and Oriental Petroleum and Minerals Corporation. He was elected a director of Manila Electric Company on March 31, 2014. He is also a non-executive director of A. Soriano Corporation. Mr. Gokongwei received a Masters degree in Business Administration from the De La Salle University and attended the Advanced Management Program at Harvard Business School.

James L. Go, 75, is the Chairman of RLC. He is currently the Chairman and Chief Executive Officer of JG Summit Holdings, Inc. and Oriental Petroleum and Minerals Corporation. He is the Chairman of Universal Robina Corporation, JG Summit Petrochemical Corporation, and JG Summit Olefins Corporation. He is the Vice Chairman and Deputy Chief Executive Officer of Robinsons Retail Holdings, Inc. and a director of Cebu Air, Inc., Singapore Land Limited, Marina Center Holdings, Inc., UIC and Hotel Marina City Private Limited. He is also the President and Trustee of the Gokongwei Brothers Foundation, Inc. He has been a director of the Philippine Long Distance Telephone Company (PLDT) since November 3, 2011. He is a member of the Technology Strategy Committee and Advisor of the Audit Committee of the Board of Directors of PLDT. He was elected a director of Manila Electric Company on December 16, 2013. Mr. Go received his Bachelor of Science Degree and Master of Science Degree in Chemical Engineering from Massachusetts Institute of Technology, USA. Mr. James L. Go is a brother of Mr. John L. Gokongwei, Jr.

Lance Y. Gokongwei, 47, is the Vice-Chairman and Chief Executive Officer of RLC. He had been a director of the Company since 1988. He is the President and Chief Operating Officer of JG Summit Holdings, Inc., President and Chief Executive Officer of Universal Robina Corporation, Cebu Air, Inc., JG Summit Petrochemical Corporation and JG Summit Olefins Corporation. He is the Chairman of Robinsons Bank Corporation, Vice Chairman of Robinsons Retail Holdings, Inc., and a director of Oriental Petroleum and Minerals Corporation, United Industrial Corporation Limited, Singapore Land Limited, and Manila Electric Company. He is also a trustee and secretary 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, 45, 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., JG Summit Petrochemical Corporation, Robinsons Bank Corporation, Secret Recipes Corporation, Ho Tsai Dimsum Incorporated, Cebu Light Industrial Park, and Philippine Hotels Federation. He is also the Chairman 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, 44, was elected as a director of RLC on January 17, 2000. He is also a Vice President of URC and is the Executive Vice President and Senior 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., Robinsons Land Corporation, and Robinsons Bank Corporation. He is a trustee and treasurer 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., 49, was elected as a director of RLC on May 29, 2005. He is currently a director of JG Summit Holdings, Inc., Universal Robina Corporation, and Robinsons Bank Corporation. 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, 53**,** 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 Corporation and JG Summit Capital Markets Corporation. She is currently the President and Chief Operating Officer of the Robinsons Retail Holdings, Inc. 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, 77**,** 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 concurrently 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 6th 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, 68, 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 among others, currently the Chairman of the Philippine Veterans Bank, and is Chairman of the Board of Advisors of the RFO Center for Public Finance and Regional Economic Cooperation (an ADB Regional Knowledge Hub), and Chairman, Board of Advisors of the AIM Conference Center. He served as Secretary of Finance of the Republic of the Philippines from 1994-1998 during the presidency of Fidel V. Ramos and was named Finance Minister of the year in 1995, 1996, and 1997. He 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 was awarded by Queen Elizabeth the Order of the British Empire (OBE) and by France as a Chevalier (Knight) of the Legion d'Honneur. 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., 78, 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 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.

Faraday D. Go, 38, was appointed as Business Unit General Manager of Robinsons Land Corporation's Office Buildings Division effective 01 February 2014. Prior to joining RLC, he was Vice President of the Retail Management and Corporate Sales Division of Digitel Mobile Philippines, Inc. He has over fifteen years experience in the following businesses: Apo Cement, JG Summit Petrochemical Corporation and Digitel Mobile Philippines, Inc. He received a Bachelor of Science degree in Management (Minor in Finance) from the Ateneo de Manila University in 1998. Mr. Faraday D. Go is a nephew of Mr. John L. Gokongwei, Jr.

Arlene G. Magtibay, 51, 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.

Corazon L. Ang Ley, 47**,** was appointed as General Manager of Summit Ridge Hotel on June 1, 2009. She is concurrently the Property Acquisition Head for the Commercial Centers Division of Robinsons Land Corporation. She also 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, 42, was appointed as General Manager of Robinsons Hotels and Resorts on January 1, 2014. 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, 66, 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, 53, is Senior Vice President and Chief Strategy Officer of RLC. He is also the Senior Vice President and Chief Strategy Officer of JG Summit Holdings, Inc. , Universal Robina Corporation, Cebu Air, Inc., and Robinsons Retail Holdings, Inc. Prior to joining RLC in 2002, he was Senior Vice President and Chief Corporate Strategist at RFM Corporation, Swift Foods Inc., Selecta Dairy Products Inc., Cosmos Bottling Corporation, and PSI Technologies Inc. Between 1981 and 1991, he was with the Department of Trade and Industry as Chief of Economic Research, and Director of Operational Planning. He received a Bachelor of Arts in Economics from the University of the Philippines in 1981 and a Master in Business Administration degree from the Asian Institute of Management in 1986.

Rodolfo T. Malit, 59, 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, 56, 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., 66, presently Senior Consultant of RLC-Homes from June 1, 1994 to December 31, 2014. 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 in Business Administration Major in Accounting from the University of the East.

Constantino Felipe, 51, 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, 41, was appointed as Senior Vice President for Robinsons Luxuria, Residences, Communities and Right Homes effective January 1, 2014. She has been with RLC for 21 years and is concurrently director of Manhattan Building Management Corporation and the Chairman 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, 53, 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.

Kerwin Max S. Tan, 44, is the Vice President and Treasurer of Robinsons Land Corporation . Previously, he was appointed as the Vice President and Deputy Treasurer of Robinsons Land Corporation on January 2014. Before this assignment he was the Vice President for Operations of Robinsons Luxuria, Robinsons Residences and Robinsons Communities effective March 1, 2007. Prior to working in RLC, he worked in various divisions of Citibank N.A. for nine years. His last position at Citibank N.A. was Assistant Vice President and 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, 62, 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**,* 55, is the Vice President – Controller of RLC's Office Buildings Division and Residential Division. Concurrently, she handles Manhattan Building Management Corp. and 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**,* 40, is the Vice President for Sales and Marketing for Robinsons Residences and Luxuria effective November 1, 2011. 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, 56**,** 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 career 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, 52, 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.

Catalina Mallari-Sanchez, 35, was appointed as Vice President for Business Development and Marketing for Office Buildings Division. She is also a member of the Investor Relations team of RLC. She holds a degree in Bachelor of Science in Economics minor in Communication Research from University of the Philippines, Diliman.

Anna Kathrina B. Cipriano, 38, was appointed as Vice President, Business Development for Robinsons Luxuria effective January 1, 2014. She concurrently heads Business Development for the Robinsons Residences brand and serves as Director and Vice President of various condominium corporations of RLC projects. She has been with the Company for 6 years out of her 10 year career with the JG Summit Group, having also held roles in JG Summit Holdings, Inc. and Sun Cellular. She received a Bachelor of Science degree in Management from the Ateneo de Manila University and her Masters in Business Management from the Asian Institute of Management.

Rosalinda F. Rivera, 44, 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., Robinsons Retail Holdings, Inc. and 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.
Faraday D. Go, Jr. is the nephew of John Gokongwei, Jr.

Item 15. Executive Compensation

a) Summary Compensation Table

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

		Fiscal Year 2014			
		Salary	*Bonus*	**Others*	*Total*
A. CEO and four most highly compensated executive officers		P 31,206,832	P 1,200,000	P 205,000	P 32,611,832
Name	*Position*				
1. Lance Y. Gokongwei	Director, Vice Chairman & Chief Executive Officer				
2. James L. Go	Director, Chairman				
3. Frederick D. Go	Director, President & Chief Operating Officer				
4. John L. Gokongwei, Jr.	Director, Chairman Emeritus				
5. Arlene G. Magtibay	GM - Commercial Centers Division (CCD)				
B. All other officers and directors as a group unnamed		P 62,974,985	P 1,800,000	P 265,000	P 65,039,985

		Fiscal Year 2013			
		Salary	*Bonus*	**Others*	*Total*
A. CEO and four most highly compensated executive officers		P 29,163,777	P 1,200,000	P 205,000	P 30,568,777
Name	*Position*				
1. Lance Y. Gokongwei	Director, Vice Chairman & Chief Executive Officer				
2. James L. Go	Director, Chairman				
3. Frederick D.Go	Director, President & Chief Operating Officer				
4. John L. Gokongwei, Jr.	Director, Chairman Emeritus				
5. Arlene G. Magtibay	GM - Commercial Centers Division (CCD)				
B. All other officers and directors as a group unnamed		P 55,264,027	P 1,800,000	P 250,000	P 57,314,027

** Per diem*

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

		Estimated FY 2015			
		Salary	*Bonus*	**Others*	*Total*
A. CEO and four (4) most highly compensated executive officers		P 31,711,613	P 1,200,000	P 205,000	P 33,116,613
Name	*Position*				
1. Lance Y. Gokongwei	Director, Vice Chairman & Chief Executive Officer				
2. James L. Go	Director, Chairman				
3. Frederick D.Go	Director, President & Chief Operating Officer				
4. John L. Gokongwei, Jr.	Director, Chairman Emeritus				
5. Arlene G. Magtibay	GM - Commercial Centers Division (CCD)				
B. All other officers and directors as a group unnamed		P 64,343,613	P 1,800,000	P 265,000	P 66,408,613 **

** 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, 2014, 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 ₱1.630 billion, ₱1.472 billion and ₱1.406 billion for fiscal years 2014, 2013 and 2012, 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 ₱617 million, ₱451 million and ₱4,302 million as of September 30, 2014, 2013 and 2012, 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, 2014, 2013 and 2012.

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 169)

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

(Exhibit 18) Subsidiaries Of The Registrant (page 170)

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 April 1, 2014 to September 30, 2014:

Date of Disclosure	Subject Matter
May 14, 2014	Notice of Cash Dividend
May 14, 2014	Results of Annual Stockholders Meeting
May 14, 2014	Results of the Organizational Meeting of the Board of Directors
June 26, 2014	Certificate of Attendance of Corporate Governance Seminar
August 4, 2014	Clarification of News Report entitled “Submission of bids for P2.5-B ITS deal moved as gov’t revises terms”
September 3, 2014	Acquisition of shares by an officer
September 19, 2014	Clarification of News Report entitled “ALI, RLC, 6 others eye GSIS assets”
September 19, 2014	Board approval of amendment of Articles of Incorporation
September 19, 2014	Change in Stock Transfer Agent

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 Pasig on January 5, 2015.

By:

1/5/15
Lance Y. Gokongwei
Vice Chairman & Chief Executive Officer
(Acts as Principal Financial Officer)

1/5/15
Frederick D. Go
President & Chief Operating Officer

1/5/15
Constante T. Santos
SVP - Corporate Controller

1/5/15
Rodolfo T. Malit
FVP - Controller/
Principal Accounting Officer

1/5/15
Rosalinda F. Rivera
Corporate Secretary

SUBSCRIBED AND SWORN to before me this ________ day of JAN 05 2015 2014, affiant(s) exhibiting to me his/their Residence Certificate, as follows:

NAMES	RES. CERT. NO.	DATE OF ISSUE	PLACE OF ISSUE
Lance Y. Gokongwei	27977246	Jan. 20, 2014	Pasig City
Frederick D. Go	09331526	Jan. 20, 2014	Quezon City
Constante T. Santos	06359910	March 10, 2014	Pasig City
Rodolfo T. Malit	19334977	Feb. 10, 2014	Quezon City
Rosalinda F. Rivera	EB2739071	June 18, 2011- June 17, 2016	Manila

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Page No. 29;
Book No. 84;
Series of 2015

ATTY. EDITHA D. TALABOC
Notary Public in the City of Manila
Until December 31, 2015
PTR No. 3833816 /Jan. 5, 2015
IBP No. 962585/Roll No. 43135
5th Floor Grand Residences Bldg.,
1415 M. Adriatico St., Malate Manila
MCLE No. IV-0019205/April 10-13, 2013
Legis Forum/ Appointment # NP-128

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

CONSOLIDATED FINANCIAL STATEMENTS

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Consolidated Statements of Changes in Equity for the years ended September 30, 2014, 2013 and 2012

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Financial Soundness Indicator

Map of the Relationships of the Company within the Group

ROBINSONS LAND
CORPORATION

LEVEL 2, GALLERIA CORPORATE CENTER, EDSA CORNER ORTIGAS AVENUE, QUEZON CITY, PHILIPPINES
TELEPHONE NUMBER: +63.2.3971888 FAX NUMBER: +63.2.3970152.FAX

January 5, 2015

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 year(s) ended September 30, 2014, 2013 and 2012, in accordance with the prescribed financial reporting framework indicated therein. 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 or members.

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 and Chief Executive Officer

Constante T. Santos
SVP – Corporate Controller

Signed this _ day of JAN 05 2015.

ATTY. EDITHA D. TALABOC
Notary Public in the City of Manila
Until December 31, 2015
PTR No. 3833846 /Jan. 5, 2015
IBP No. 962585/Roll No. 43135
5th Floor Grand Residences Bldg.,
1415 M. Adriatico St., Malate Manila
MCLE No. IV-0019205/April 10-13, 2013
Legis Forum/ Appointment # NP-128

Doc. No. 141;
Page No. 30;
Book No. 84;
Series of 2015

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

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
December 28, 2012, valid until December 31, 2015
SEC Accreditation No. 0012-FR-3 (Group A),
November 15, 2012, valid until November 16, 2015

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Robinsons Land Corporation
Level 2, Galleria Corporate Center
EDSA corner Ortigas Avenue, Quezon 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, 2014 and 2013 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, 2014, 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.

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, 2014 and 2013 and their financial performance and their cash flows for each of the three years in the period ended September 30, 2014, 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. 4225226, January 2, 2014, Makati City

January 5, 2015

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	September 30		October 1
	2014	2013 As restated, (see Note 3)	2012 As restated, (see Note 3)
ASSETS			
Current Assets			
Cash and cash equivalents (Notes 7, 20, 31 and 32)	**₱1,054,955,189**	₱1,081,533,911	₱5,877,874,883
Receivables (Notes 8, 20, 31 and 32)	**3,983,874,197**	2,889,234,401	3,358,202,972
Subdivision land, condominium and residential units for sale (Notes 5 and 9)	**15,174,707,862**	12,019,619,818	10,991,157,298
Other current assets (Notes 10, 31 and 32)	**3,157,760,954**	2,929,888,288	2,141,588,891
Total Current Assets	**23,371,298,202**	18,920,276,418	22,368,824,044
Noncurrent Assets			
Noncurrent receivables (Notes 8, 31 and 32)	**2,715,423,991**	2,162,008,724	1,125,870,844
Investment properties (Notes 5 and 11)	**54,855,468,262**	50,304,491,881	44,052,183,831
Property and equipment (Notes 5 and 12)	**3,121,744,886**	2,857,947,852	2,530,671,660
Other noncurrent assets (Notes 13, 31 and 32)	**1,305,479,943**	641,327,821	569,197,256
Total Noncurrent Assets	**61,998,117,082**	55,965,776,278	48,277,923,591
	₱85,369,415,284	₱74,886,052,696	₱70,646,747,635
LIABILITIES AND EQUITY			
Current Liabilities			
Short-term loans (Notes 16, 31 and 32)	**₱8,101,450,000**	₱2,678,400,000	₱–
Accounts payable and accrued expenses (Notes 14, 31 and 32)	**5,661,547,834**	4,830,443,123	4,925,192,080
Income tax payable	**222,122,991**	468,774,304	196,038,284
Deposits and other liabilities (Notes 15, 20, 31 and 32)	**2,601,624,799**	2,042,763,670	1,642,587,819
Current portion of loans payable (Notes 16, 31 and 32)	–	10,000,000,000	2,000,000,000
Total Current Liabilities	**16,586,745,624**	20,020,381,097	8,763,818,183
Noncurrent Liabilities			
Loans payable - net of current portion (Notes 16, 31 and 32)	**9,920,301,468**	–	10,000,000,000
Deferred tax liabilities - net (Note 27)	**1,974,212,221**	1,450,800,822	1,081,035,538
Deposits and other noncurrent liabilities (Notes 17, 29, 31 and 32)	**4,318,054,882**	4,110,901,888	4,293,512,684
Total Noncurrent Liabilities	**16,212,568,571**	5,561,702,710	15,374,548,222
Total Liabilities	**32,799,314,195**	25,582,083,807	24,138,366,405
Equity			
Equity attributable to equity holders of the Parent Company			
Capital stock (Note 19)	**4,111,528,685**	4,111,528,685	4,111,528,685
Additional paid-in capital (Note 19)	**20,392,532,781**	20,392,532,781	20,392,532,781
Other equity reserve (Note 1)	**(87,597,873)**	(87,597,873)	–
Other comprehensive loss			
Remeasurements of the net defined benefit liability - net of tax (Note 3)	**(73,626,667)**	(78,638,096)	(44,283,968)
Retained earnings (Note 18)			
Unappropriated	**11,316,048,848**	13,852,814,566	11,542,689,389
Appropriated	**17,000,000,000**	11,200,000,000	10,500,000,000
Treasury stock (Note 19)	**(221,834,657)**	(221,834,657)	(221,834,657)
	52,437,051,117	49,168,805,406	46,280,632,230
Non-controlling interest in consolidated subsidiaries	**133,049,972**	135,163,483	227,749,000
	52,570,101,089	49,303,968,889	46,508,381,230
	₱85,369,415,284	₱74,886,052,696	₱70,646,747,635

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended September 30		
	2014	2013 As restated, (see Note 3)	2012 As restated, (see Note 3)
REVENUE (Notes 6 and 21)			
Real Estate Operations			
Rental income	**₱7,956,129,097**	₱7,417,282,135	₱6,690,605,012
Real estate sales	**5,646,638,459**	5,300,508,087	4,105,106,260
Amusement income	**1,259,795,201**	1,016,315,050	831,006,331
Others	**654,864,078**	673,589,978	504,262,858
	15,517,426,835	14,407,695,250	12,130,980,461
Hotel Operations	**1,533,748,393**	1,496,797,769	1,384,079,085
	17,051,175,228	15,904,493,019	13,515,059,546
COSTS (Notes 6 and 22)			
Real Estate Operations			
Cost of rental services	**3,013,142,880**	2,690,490,080	2,307,983,583
Cost of real estate sales	**3,071,340,402**	3,060,144,718	2,360,585,729
Cost of amusement services	**575,239,755**	485,315,516	389,831,006
Others	**403,144,880**	327,734,935	200,972,586
	7,062,867,917	6,563,685,249	5,259,372,904
Hotel Operations	**1,174,094,303**	1,156,363,383	1,113,684,179
	8,236,962,220	7,720,048,632	6,373,057,083
	8,814,213,008	8,184,444,387	7,142,002,463
GENERAL AND ADMINISTRATIVE EXPENSES (Note 23)	**2,572,474,729**	2,202,226,146	1,904,503,246
OPERATING INCOME	**6,241,738,279**	5,982,218,241	5,237,499,217
OTHER INCOME (LOSSES)			
Interest income (Note 26)	**14,634,631**	113,397,276	492,976,374
Mark to market loss on derivative assets (Note 31)	–	(90,143,152)	(82,353,723)
Interest expense (Note 26)	–	(14,097,197)	(44,427,351)
	14,634,631	9,156,927	366,195,300
INCOME BEFORE INCOME TAX	**6,256,372,910**	5,991,375,168	5,603,694,517
PROVISION FOR INCOME TAX (Note 27)	**1,521,473,093**	1,514,556,462	1,356,349,532
NET INCOME	**4,734,899,817**	4,476,818,706	4,247,344,985
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Remeasurements of the net defined benefit liability - net of tax (Notes 3 and 29)	**5,011,429**	(34,354,128)	(44,283,968)
TOTAL COMPREHENSIVE INCOME	**₱4,739,911,246**	₱4,442,464,578	₱4,203,061,017
Net Income Attributable to:			
Equity holders of Parent Company	**₱4,737,013,328**	₱4,478,403,024	₱4,241,116,563
Non-controlling interest in consolidated subsidiaries	**(2,113,511)**	(1,584,318)	6,228,422
	₱4,734,899,817	₱4,476,818,706	₱4,247,344,985
Total Comprehensive Income Attributable to:			
Equity holders of Parent Company	**₱4,742,024,757**	₱4,444,048,896	₱4,196,832,595
Non-controlling interest in consolidated subsidiaries	**(2,113,511)**	(1,584,318)	6,228,422
	₱4,739,911,246	₱4,442,464,578	₱4,203,061,017
Basic/Diluted Earnings Per Share (Note 28)	**₱1.16**	₱1.09	₱1.04

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Capital Stock (Note 19)	Additional Paid-in Capital (Note 19)	Treasury Stock (Note 19)	Attributable to Equity Holders of the Parent Company Subscription Receivables (Note 19)	Other Equity Reserve (Note 1)	Other Comprehensive Income (Loss) (Note 3)	Unappropriated Retained Earnings (Notes 1 and 18)	Appropriated Retained Earnings (Note 18)	Attributable to Non-controlling Interest in Consolidated Subsidiaries	Total Equity
					For the Year Ended September 30, 2014					
Balances at beginning of year, as previously stated	**₱4,111,528,685**	**₱20,392,532,781**	**(₱221,834,657)**	**₱–**	**(₱87,597,873)**	**₱–**	**₱13,864,976,604**	**₱11,200,000,000**	**₱135,163,483**	**₱49,394,769,023**
Effect of the adoption of PAS 19 (Revised) (Note 3)	–	–	–	–	–	**(78,638,096)**	**(12,162,038)**	–	–	**(90,800,134)**
Balances at beginning of year, as restated	**4,111,528,685**	**20,392,532,781**	**(221,834,657)**	**–**	**(87,597,873)**	**(78,638,096)**	**13,852,814,566**	**11,200,000,000**	**135,163,483**	**49,303,968,889**
Comprehensive income										
Net income	–	–	–	–	–	–	**4,737,013,328**	–	**(2,113,511)**	**4,734,899,817**
Other comprehensive income	–	–	–	–	–	**5,011,429**	–	–	–	**5,011,429**
Total comprehensive income	–	–	–	–	–	**5,011,429**	**4,737,013,328**	–	**(2,113,511)**	**4,739,911,246**
Reversal of appropriation (Note 18)	–	–	–	–	–	–	**11,200,000,000**	**(11,200,000,000)**	–	–
Appropriation (Note 18)	–	–	–	–	–	–	**(17,000,000,000)**	**17,000,000,000**	–	–
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)**	**₱–**	**(₱87,597,873)**	**(₱73,626,667)**	**₱11,316,048,848**	**₱17,000,000,000**	**₱133,049,972**	**₱52,570,101,089**

	Attributable to Equity Holders of the Parent Company								Attributable to Non-controlling Interest in Consolidated Subsidiaries	
	Capital Stock (Note 19)	Additional Paid-in Capital (Note 19)	Treasury Stock (Note 19)	Subscription eceivables (Note 19)	Other Equity Reserve (Note 1)	Other Comprehensive Income (Loss) (Note 3)	Unappropriated Retained Earnings (Notes 1 and 18)	Appropriated Retained Earnings (Note 18)		Total Equity
	For the Year Ended September 30, 2013									
Balances at beginning of year, as previously stated	₱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
Effect of the adoption of PAS 19 (Revised) (Note 3)	–	–	–	–	–	(44,283,968)	(20,536,573)	–	–	(64,820,541)
Balances at beginning of year, as restated	4,111,528,685	20,392,532,781	(221,834,657)	–	–	(44,283,968)	11,542,689,389	10,500,000,000	227,749,000	46,508,381,230
Comprehensive income										
Net income, as previously stated	–	–	–	–	–	–	4,470,028,489	–	(1,584,318)	4,468,444,171
Effect of the adoption of PAS 19 (Revised) (Note 3)	–	–	–	–	–	–	8,374,535	–	–	8,374,535
Net income, as restated	–	–	–	–	–	–	4,478,403,024	–	(1,584,318)	4,476,818,706
Other comprehensive income, as previously stated	–	–	–	–	–	–	–	–	–	–
Effect of the adoption of PAS 19 (Revised) (Note 3)	–	–	–	–	–	(34,354,128)	–	–	–	(34,354,128)
Other comprehensive income, as restated	–	–	–	–	–	(34,354,128)	–	–	–	(34,354,128)
Total comprehensive income, as restated	–	–	–	–	–	(34,354,128)	4,478,403,024	–	(1,584,318)	4,442,464,578
Incorporation of a subsidiary (Note 1)	–	–	–	–	–	–	–	–	24,500,000	24,500,000
Reversal of appropriation (Note 18)	–	–	–	–	–	–	10,500,000,000	(10,500,000,000)	–	–
Appropriation (Note 18)	–	–	–	–	–	–	(11,200,000,000)	11,200,000,000	–	–
Acquisition of non-controlling interest	–	–	–	–	(87,597,873)	–	5,501,199	–	(115,501,199)	(197,597,873)
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)	₱–	(₱87,597,873)	(₱78,638,096)	₱13,852,814,566	₱11,200,000,000	₱135,163,483	₱49,303,968,889

				Attributable to Equity Holders of the Parent Company						
	Capital Stock (Note 19)	Additional Paid-in Capital (Note 19)	Treasury Stock (Note 19)	Subscription Receivables (Note 19)	Other Equity Reserve (Note 1)	Other Comprehensive Income (Loss) (Note 3)	Unappropriated Retained Earnings (Notes 1 and 18)	Appropriated Retained Earnings (Note 18)	Attributable to Non-controlling Interest in Consolidated Subsidiaries	Total Equity
				For the Year Ended September 30, 2012						
Balances at beginning of year, as previously stated	₱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
Effect of the adoption of PAS 19 (Revised) (Note 3)	–	–	–	–	–	–	(23,140,116)	–	–	(23,140,116)
Balances at beginning of year, as restated	4,111,528,685	20,392,532,781	(221,834,657)	(4,774,641,165)	–	–	8,775,351,872	10,500,000,000	230,520,578	39,013,458,094
Comprehensive Income										
Net income, as previously stated	–	–	–	–	–	–	4,238,513,020	–	6,228,422	4,244,741,442
Effect of the adoption of PAS 19 (Revised) (Note 3)	–	–	–	–	–	–	2,603,543	–	–	2,603,543
Net income, as restated	–	–	–	–	–	–	4,241,116,563	–	6,228,422	4,247,344,985
Other comprehensive income, as previously stated	–	–	–	–	–	–	–	–	–	–
Effect of the adoption of PAS 19 (Revised) (Note 3)	–	–	–	–	–	(44,283,968)	–	–	–	(44,283,968)
Other comprehensive income, as restated	–	–	–	–	–	(44,283,968)	–	–	–	(44,283,968)
Total comprehensive income, as restated	–	–	–	–	–	(44,283,968)	4,241,116,563	–	6,228,422	4,203,061,017
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)	₱–	₱–	(₱44,283,968)	₱11,542,689,389	₱10,500,000,000	₱227,749,000	₱46,508,381,230

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended September 30		
	2014	2013 As restated (see Note 3)	2012 As restated (see Note 3)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱6,256,372,910**	₱5,991,375,168	₱5,603,694,517
Adjustments for:			
Depreciation and amortization (Notes 11, 12, 22 and 24)	**2,731,972,693**	2,458,900,922	2,083,885,060
Loss on retirement of investment properties and property and equipment (Notes 11 and 12)	**324,018,712**	63,912,586	–
Accretion expense on security deposits (Notes 15 and 26)	**78,279,804**	58,504,429	65,116,921
Mark to market loss on derivative assets (Note 31)	**–**	90,143,152	82,353,723
Interest expense on loans payable (Note 26)	**–**	14,097,197	44,427,351
Provision for impairment losses (Notes 8 and 23)	**–**	167,188	731,444
Interest income (Notes 21 and 26)	**(513,959,506)**	(590,683,523)	(746,577,415)
Operating income before working capital changes	**8,876,684,613**	8,086,417,119	7,133,631,601
Decrease (increase) in:			
Receivables - trade	**(1,647,765,560)**	(589,125,031)	(983,317,404)
Subdivision land, condominium and residential units for sale	**(1,393,081,568)**	(1,028,462,520)	(1,798,334,450)
Prepaid expenses and value-added input tax	**(636,849,482)**	95,446,457	(91,939,603)
Other current assets	**729,821,292**	(460,757,709)	(514,048,892)
Increase (decrease) in:			
Accounts payable and accrued expenses and other noncurrent liabilities	**985,452,905**	10,254,307	554,692,360
Net pension liabilities	**34,833,887**	(43,509,466)	22,900,951
Customers' deposits	**389,238,067**	424,978	467,522,464
Cash generated from operations	**7,338,334,154**	6,070,688,135	4,791,107,027
Interest received from installment contract receivable	**499,324,875**	477,286,247	253,601,041
Income tax paid	**(1,246,860,762)**	(857,331,961)	(779,304,452)
Net cash flows provided by operating activities	**6,590,798,267**	5,690,642,421	4,265,403,616
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	**14,617,135**	121,853,006	491,424,916
Decrease (increase) in:			
Receivables from affiliated companies (Note 20)	**(272,007)**	13,332,804	7,610,065
Advances to suppliers and contractors (Notes 10 and 13)	**(494,045,948)**	(1,568,573)	(33,081,049)
Other noncurrent assets	**(95,339,495)**	(207,892,792)	(65,165,285)
Advances to lot owners and joint operations	**(395,611,155)**	(375,800,497)	(110,379,310)
Additions to:			
Investment properties (inclusive of capitalized borrowing cost) (Notes 11and 35)	**(9,045,673,756)**	(8,428,831,615)	(7,055,779,175)
Property and equipment (Notes 12 and 35)	**(587,097,540)**	(673,566,135)	(372,676,741)
Cash received from noncontrolling interest for newly incorporated subsidiary (Note 1)	**–**	24,500,000	–
Purchase of noncontrolling interest (Note 1)	**–**	(197,597,873)	–
Net cash flows used in investing activities	**(10,603,422,766)**	(9,725,571,675)	(7,138,046,579)

(Forward)

	Years Ended September 30		
	2014	2013 As restated (see Note 3)	2012 As restated (see Note 3)
CASH FLOWS FROM FINANCING ACTIVITIES			
Collection of subscription receivable (Note 19)	**₱–**	₱–	₱4,774,641,165
Interest paid and expensed out	**(34,074,420)**	(64,582,191)	(73,984,286)
Availment of loans payable (Note 16)	**10,000,000,000**	–	–
Availment of short-term loans (Note 16)	**8,101,450,000**	2,678,400,000	–
Payment of loans payable (Note 16)	**(10,000,000,000)**	(2,000,000,000)	(3,000,000,000)
Payment of short-term loans (Note 16)	**(2,678,400,000)**	–	–
Payment of debt issue cost (Note 16)	**(79,698,532)**	–	–
Increase (decrease) in payable to affiliated companies and other liabilities (Note 15)	**147,680,169**	98,011,616	(516,981,356)
Payments of cash dividends (Note 18)	**(1,470,911,440)**	(1,473,241,143)	(1,481,985,031)
Net cash flows provided by (used in) financing activities	**3,986,045,777**	(761,411,718)	(298,309,508)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(26,578,722)**	(4,796,340,972)	(3,170,952,471)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**1,081,533,911**	5,877,874,883	9,048,827,354
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	**₱1,054,955,189**	₱1,081,533,911	₱5,877,874,883

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 five wholly-owned subsidiaries, namely: Robinsons Inn, Inc. (RII); Robinsons Realty and Management Corporation (RRMC); Robinsons (Cayman) Limited (RCL); Robinsons Properties Marketing and Management Corporation (RPMMC) and Altus San Nicolas Corp. (ASNC) (100% owned as at September 30, 2013 and 80% owned as at September 30, 2012 and 2011), 51%-owned subsidiaries, Altus Angeles, Inc. (AAI) and GoHotels Davao, Inc. (GHDI), (collectively known as the "Group").

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

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

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

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

2. Basis of Preparation

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

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Group presents an additional consolidated statement of financial position at the beginning of the earliest period presented when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in the consolidated financial statements. An additional consolidated statement of financial position as at October 1, 2012 is presented in these consolidated financial statements due to retrospective application of Philippine Accounting Standards (PAS) 19, *Employee Benefits* (Revised 2011).

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 of September 30, 2014 and 2013, and for each of the three years in the period ended September 30, 2014.

The consolidated financial statements are prepared for the same reporting year as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances. All significant intercompany balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intercompany transactions that are recognized in assets are eliminated in full.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

Any equity instruments issued by a subsidiary that are not owned by the Parent Company are non-controlling interests. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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
- Derecognizes the carrying amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

As of September 30, 2014 and 2013, the Group has no subsidiary with material non-controlling interest that would require additional disclosures.

3. **Changes in Accounting Policies**

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

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

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

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

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

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

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

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

- PFRS 12, *Disclosure of Interests in Other Entities*
  PFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The requirements in PFRS 12 are more comprehensive than the previously existing disclosure requirements for

subsidiaries (for example, where a subsidiary is controlled with less than a majority of voting rights).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Future Changes in Accounting Policies

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

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

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

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

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

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

- PFRS 9, *Financial Instruments*
  PFRS 9 (2010 version), as issued, reflects the first and third phases of the project to replace PAS 39 and applies to the classification and measurement of financial assets and liabilities and hedge accounting, respectively. Work on the second phase, which relate to impairment of financial instruments, and the limited amendments to the classification and measurement model hedge accounting is still ongoing, with a view to replace PAS 39 in its entirety. PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt

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

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

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

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

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

Effective January 1, 2015

- PAS 19, *Employee Benefits - Defined Benefit Plans: Employee Contributions* (Amendments)
  PAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify

that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after January 1, 2015. It is not expected that this amendment would be relevant to the Group, since none of the entities within the Group has defined benefit plans with contributions from employees or third parties.

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

- PFRS 2, *Share-based Payment - Definition of Vesting Condition*
  This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:
  - A performance condition must contain a service condition;
  - A performance target must be met while the counterparty is rendering service;
  - A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group;
  - A performance condition may be a market or non-market condition; and
  - If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

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

- PFRS 8, *Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets*
  The amendments are applied retrospectively and clarify that:
  - An entity must disclose the judgments made by management in applying the aggregation criteria in the standard, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.
  - The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

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

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

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

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

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

- PFRS 3, *Business Combinations - Scope Exceptions for Joint Arrangements*
  The amendment is applied prospectively and clarifies the following regarding the scope exceptions within PFRS 3:
  - Joint arrangements, not just joint ventures, are outside the scope of PFRS 3.
  - This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

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

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

Effective January 1, 2016

- PAS 16, *Property, Plant and Equipment*, and PAS 38, *Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization* (Amendments)
  The amendments clarify the principle in PAS 16 and PAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part)

rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group given that the Group has not used a revenue-based method to depreciate its non-current assets.

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

- PAS 27, *Separate Financial Statements - Equity Method in Separate Financial Statements* (Amendments)
  The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of PFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to PFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments affect disclosures only and have no impact on the Group's consolidated financial position and performance.

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

- PFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations* (Amendments)
  The amendments to PFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant PFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to PFRS 11 to specify that the

amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

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

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

<u>Annual Improvements to PFRSs (2012-2014 cycle)</u>
The Annual Improvements to PFRSs (2012-2014 cycle) are effective for annual periods beginning on or after January 1, 2016. Except as otherwise indicated, the Group does not expect the adoption of these amendments to have significant impact on its consolidated financial statements.

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

- PFRS 7, *Financial Instruments: Disclosures - Servicing Contracts*
  PFRS 7 requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognized in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance in PFRS 7 in order to assess whether the disclosures are required. The amendment is to be applied such that the assessment of which servicing contracts constitute continuing involvement will need to be done retrospectively. However, comparative disclosures are not required to be provided for any period beginning before the annual period in which the entity first applies the amendments.

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

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

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

Effective January 1, 2018

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

  PFRS 9 (2013 version) has no mandatory effective date. The mandatory effective date of January 1, 2018 was eventually set when the final version of PFRS 9 was adopted by the FRSC. The adoption of the final version of PFRS 9, however, is still for approval by BOA. The adoption of PFRS 9 will have an effect on the classification and measurement of the Group's financial assets but will have no impact on the classification and measurement of the Group's financial liabilities. The adoption will also have an effect on the Group's application of hedge accounting. The Group is currently assessing the impact of adopting this standard.

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

The adoption of PFRS 9 will have an effect on the classification and measurement of the Group's financial assets and impairment methodology for financial assets, but will have no impact on the classification and measurement of the Group's financial liabilities. The adoption will also have an effect on the Group's application of hedge accounting. The Group is currently assessing the impact of adopting this standard.

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

- IFRS 15, *Revenue from Contracts with Customers*
  IFRS 15, *Revenue from Contracts with Customers* was issued in May 2014 but was yet to be adopted by the FRSC, BOA and the SEC. It establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2017 with early adoption permitted. The Group is engaged in selling activities of real estate projects while construction is in progress or even before it has started. The standard is expected to impact the revenue recognition on these pre-completed real estate sales whether revenue will be recognized at a point-in-time or over time. If there will be a change in revenue recognition, this will also impact the corresponding costs, and the related trade receivables, deferred tax liabilities and retained earnings account.

4. 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 Group 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 and may include contingent rents 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, 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. Real estate sales are recognized using the percentage of completion when (a) the criteria of percentage of collection over the total

selling price is met, and (b) the project is beyond preliminary stage (i.e., engineering, design work, construction contract execution, site clearance and preparation, excavation and the building foundation are finished).

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.

Other income incidental to real estate sales are receipts of association dues, receipts of penalties from real estate buyers and tenants and forfeitures from cancelled sales. These other income are recognized when they are received and are included under the line item ‘Others’ within Real Estate Operations in the consolidated statement of income.

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 rate (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).

<u>Fair Value Measurement</u>
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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 and other financial liabilities at amortized cost as of September 30, 2014 and 2013. There were financial assets at FVPL as of September 30, 2012 which matured in 2013.

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.

Loans and Receivables

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 Receivables and Refundable utility deposits included under "Other Assets" (see Notes 8, 10, 13, 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.

The Group's financial asset at FVPL consists of derivative asset that already matured in 2013 (see Note 31). As of September 30, 2014, the Group has no financial asset and 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 "Mark to market gain (loss) on derivative assets" under "Other income (losses)". The derivative is carried as asset when the fair value is positive and as liability when the fair value is negative.

As discussed above, the Group's interest rate swap agreement entered in 2008 with an international bank to hedge its interest rate exposure on Inverse Floating Rate Notes matured on June 6, 2013. The Group has no outstanding derivative financial instrument as of September 30, 2014 and 2013.

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, 2014 and 2013, 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 comprehensive income. Gains and losses are recognized in the consolidated statement of comprehensive income under "Other income (losses)" when the HTM investments are derecognized and impaired, as well as through the amortization process.

As of September 30, 2014 and 2013, 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.

The Group's other financial liabilities consists of accounts payable and accrued expenses, payable to affiliated companies, refundable deposits from lessees, retention payable, short-term loans and loans payable (see Notes 14, 15, 16, 17, 31 and 32).

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 shall be applied against the total contract price as the contractual obligation of the real estate buyers has begun. 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, 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.

Derecognition of Financial Assets and Liabilities

Financial Assets

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; and
- the Group has transferred its right to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third-party under a "pass-through" arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group 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 in the ordinary course of business 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	20
Building improvements	10
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 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	20
Building 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 used in hotel operations.

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
The Group assesses at each reporting date whether there is an indication that the Group's investment properties, property and equipment and value-added input tax 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. The individual accumulated retained earnings of the subsidiaries are available for dividend distribution when they are declared by the subsidiaries as approved by their respective board of directors (BOD).

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.

Other equity reserve
Other equity reserve pertains to the difference between the consideration paid and the carrying value of the non-controlling interest acquired.

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 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

The Group has a noncontributory defined benefit plan. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit liability at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plan is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service costs
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuary.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods. All remeasurements recognized in "Other Comprehensive Income" (OCI account) "Remeasurements of the net defined benefit liability" are not reclassified to another equity account in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related liabilities). If the fair value of the plan assets is higher than the present value of the defined benefit liability, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit liability is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Termination benefit
Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Employee leave entitlement
Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly within twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

<u>Costs and General and Administrative Expenses Recognition</u>
Cost of Real Estate Sales
Cost of real estate sales is recognized consistent with the revenue recognition method applied. Cost of subdivision lots and housing units and condominium units sold before the completion of the development is determined on the basis of the acquisition cost of the land and its full

development costs, which include estimated costs for future development works, as determined by the Group's in-house technical staff.

The cost of inventory recognized in profit or loss on disposal is determined with reference to the specific costs incurred on the property, allocated to saleable area based on relative size and takes into account the percentage of completion used for revenue recognition purposes.

Costs and expenses are recognized in the consolidated statement of comprehensive income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Costs and expenses are recognized in the consolidated statement of comprehensive income:

- On the basis of a direct association between the costs incurred and the earning of specific items of income;
- On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or
- Immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the consolidated statement of financial position as an asset.

<u>Commission Expense</u>
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.

<u>Leases</u>
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 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 on 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.

Joint Operation
A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group recognize in relation to its interest in a joint operation its assets, including its share of any assets held jointly; liabilities, including its share of any liabilities incurred jointly; revenue from the sale of its share of the output arising from the joint operation; share of the revenue from the sale of the output by the joint operation; and expenses, including its share of any expenses incurred jointly.

Borrowing Costs
Interest and other related financing charges on borrowed funds used to finance the 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 depreciated 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.

Provisions
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 and Translation
The functional currency of each entity in the Group is the Philippine Peso, except for Robinsons (Cayman) Limited which has a functional currency of US dollar. 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 EPS 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. This includes a 25 year lease of land with Bases Conversion Development Authority (BCDA) entered into in August 2014. The Group concluded that the arrangement is an operating lease primarily because the present value of minimum lease payments is not substantially all of the fair value of the leased land at the inception of the lease and that price of option to purchase the land is at fair value at the time of renewal, based on the appraised value determined by an independent valuer acceptable to both parties. 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.

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 the main 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 (inventory) and land and land improvements (investment property and property and equipment)
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 future development or sale which are yet to be finalized by the Group (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 by the management. 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).

Estimates
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.

Estimate on when the buyers' investment is qualified for revenue recognition on real estate sales
Starting October 1, 2012, the Group decided to change its basis of estimating on when the buyers' investment is considered adequate to meet the probability criteria that economic benefits will flow to the Group and warrant revenue recognition. Marketing and selling statistics and experiences over the past several years which include, among others, buyers' credit standings and sales returns prompted the Group to revisit and accordingly revise the basis of estimating the level of buyers' payments that is highly probable that the buyer will commit to the sale transaction, and thus, it is probable that economic benefits will flow to the Group. The change in estimate increased the real estate sales by ₱1,045 million, operating income by ₱449 million and net income by ₱339 million for the year ended September 30, 2013.

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):

	2014	2013
Receivables	**₱6,745,340,405**	₱5,097,285,342
Allowance for impairment losses	**46,042,217**	46,042,217

Fair values of financial assets and financial liabilities
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, 2014, the Group has no derivative asset classified under FVPL.

Useful lives of investment properties and property and equipment
The Group estimates the useful lives of the depreciable 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:

	2014	2013
Investment properties (Note 11)		
Cost	**₱73,634,428,940**	₱66,950,742,380
Accumulated depreciation and amortization	**18,778,960,678**	16,646,250,499
Property and equipment (Note 12)		
Cost	**7,107,663,534**	6,435,631,990
Accumulated depreciation and amortization	**3,985,918,648**	3,577,684,138

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.

As of September 30, 2014 and 2013, the Group's subdivision land, condominium and residential units for sale amounted to ₱15,175 million and ₱12,020 million, respectively (see Note 9).

Impairment of nonfinancial assets
Assessing investment properties, property and equipment and value-added input tax for impairment includes considering certain indications of impairment. These indicators include significant changes in asset usage, significant decline in market value and obsolescence or physical damage for investment properties and property and equipment and assessment of availability of future output VAT to which these input VAT can be applied against. In certain

circumstances such input VAT can also be claimed as refund from the government. Carrying value of input VAT amounted to ₱1,054 million and ₱911 million as of September 30, 2014 and 2013, respectively (see Note 10). 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.

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, 2014 and 2013 amounted to ₱653 million and ₱597 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 ₱7 million and ₱20 million as of September 30, 2014 and 2013, respectively. The related deferred tax assets amounted to ₱1 million and ₱6 million as of September 30, 2014 and 2013, respectively.

As of September 30, 2014 and 2013, the Group operates a hotel and various residential projects which enjoy 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).

Pension and other benefit cost
The determination of the obligation and cost of pension and other employee benefits is dependent on the selection of certain assumptions used in calculating such amounts. Those assumptions include, among others, discount rates and salary increase rates (see Note 29). 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.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Philippine government bonds with terms consistent with the expected employee benefit payout as of reporting date.

As of September 30, 2014 and 2013, the balance of the Group's present value of defined benefit obligations and other employee benefits is shown in Note 29.

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, 2014 and 2013, derivative asset has zero balance (see Note 31).

Recoverability of claims receivable
The Group recognized the remaining claims receivable from typhoon damages and mall fire as receivable with a corresponding gain recorded in the consolidated statements of comprehensive income. Management has determined that the collectability of the remaining claim is virtually certain considering the history of the recoverability of past claims, partial settlement received and the status of discussion with insurance companies as of September 30, 2014. The carrying value of receivable related to these claims amounted to ₱211 million as of September 30, 2014 (see Note 8).

6. **Operating Segment**

Business Segment
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 interest, taxes and 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.

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:

	2014					
	Commercial Center Division	**Residential Division**	**Office Buildings Division**	**Hotel Division**	**Intersegment Eliminating Adjustments**	**Consolidated**
Revenue						
Segment revenue	**₱8,104,816,189**	**₱5,868,359,025**	**₱1,544,251,621**	**₱1,533,748,393**	**₱–**	**₱17,051,175,228**
Intersegment revenue	**46,797,332**	**–**	**–**	**–**	**(46,797,332)**	**–**
Total Revenue	**8,151,613,521**	**5,868,359,025**	**1,544,251,621**	**1,533,748,393**	**(46,797,332)**	**17,051,175,228**
Costs and expenses						
Segment costs and expenses	**2,599,217,442**	**4,403,340,314**	**67,416,885**	**1,007,489,615**	**–**	**8,077,464,256**
Intersegment costs and expenses	**–**	**46,797,332**	**–**	**–**	**(46,797,332)**	**–**
Total Costs and expenses	**2,599,217,442**	**4,450,137,646**	**67,416,885**	**1,007,489,615**	**(46,797,332)**	**8,077,464,256**
Earnings before interest, taxes and depreciation and amortization	**5,552,396,079**	**1,418,221,379**	**1,476,834,736**	**526,258,778**	**–**	**8,973,710,972**
Depreciation and amortization (Note 24)	**2,105,789,830**	**29,832,608**	**429,745,567**	**166,604,688**	**–**	**2,731,972,693**
Operating income	**₱3,446,606,249**	**₱1,388,388,771**	**₱1,047,089,169**	**₱359,654,090**	**₱–**	**₱6,241,738,279**
Assets and Liabilities						
Segment assets	**₱45,888,121,873**	**₱27,347,066,806**	**₱9,507,454,046**	**₱2,626,772,559**	**₱–**	**₱85,369,415,284**
Investment in subsidiaries - at cost	**800,287,546**	**–**	**–**	**–**	**(800,287,546)**	**–**
Total segment assets	**₱46,688,409,419**	**₱27,347,066,806**	**₱9,507,454,046**	**₱2,626,772,559**	**(₱800,287,546)**	**₱85,369,415,284**
Total segment liabilities	**₱25,562,232,757**	**₱5,295,651,135**	**₱1,212,515,943**	**₱728,914,360**	**₱–**	**₱32,799,314,195**
Other segment information:						
Capital expenditures						**₱9,632,771,296**
Additions to subdivision land, condominium and residential units for sale						**₱4,464,421,970**

	2013					
	Commercial Center Division	Residential Division	Office Buildings Division	Hotel Division	Intersegment Eliminating Adjustments	Consolidated
Revenue						
Segment revenue	₱7,389,804,470	₱5,577,468,900	₱1,440,421,880	₱1,496,797,769	₱–	₱15,904,493,019
Intersegment revenue	50,269,073	–	–	–	(50,269,073)	–
Total Revenue	7,440,073,543	5,577,468,900	1,440,421,880	1,496,797,769	(50,269,073)	15,904,493,019
Costs and expenses						
Segment costs and expenses	2,314,819,422	4,124,539,439	54,218,321	969,796,674	–	7,463,373,856
Intersegment costs and expenses	–	50,269,073	–	–	(50,269,073)	–
Total Costs and expenses	2,314,819,422	4,174,808,512	54,218,321	969,796,674	(50,269,073)	7,463,373,856
Earnings before interest, taxes and depreciation and amortization	5,125,254,121	1,402,660,388	1,386,203,559	527,001,095	–	8,441,119,163
Depreciation and amortization (Note 24)	1,861,166,943	34,391,083	376,776,187	186,566,709	–	2,458,900,922
Operating income	₱3,264,087,178	₱1,368,269,305	₱1,009,427,372	₱340,434,386	₱–	₱5,982,218,241
Assets and Liabilities						
Segment assets	39,844,678,878	24,589,855,391	8,164,696,030	2,286,822,397	–	74,886,052,696
Investment in subsidiaries - at cost	800,287,546	–	–	–	(800,287,546)	–
Total segment assets	₱40,644,966,424	₱24,589,855,391	₱8,164,696,030	₱2,286,822,397	(₱800,287,546)	₱74,886,052,696
Total segment liabilities	₱19,273,308,125	₱4,923,825,778	₱952,648,213	₱432,301,691	₱–	₱25,582,083,807
Other segment information:						
Capital expenditures						₱9,102,397,750
Additions to subdivision land, condominium and residential units for sale						₱4,088,607,238

	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	1,933,601,622	3,265,011,561	52,873,337	942,188,749	–	6,193,675,269
Intersegment costs and expenses	–	35,136,375	–	–	(35,136,375)	–
Total Costs and expenses	1,933,601,622	3,300,147,936	52,873,337	942,188,749	(35,136,375)	6,193,675,269
Earnings before interest, taxes and depreciation and amortization	4,530,765,389	1,004,019,081	1,344,709,471	441,890,336	–	7,321,384,277
Depreciation and amortization (Note 24)	1,492,623,122	35,896,556	383,869,952	171,495,430	–	2,083,885,060
Operating income	₱3,038,142,267	₱968,122,525	₱960,839,519	₱270,394,906	₱–	₱5,237,499,217
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	577,189,673	–	–	–	(577,189,673)	–
Total segment assets	₱40,720,069,219	₱22,531,292,070	₱5,778,356,777	₱2,194,219,242	(₱577,189,673)	₱70,646,747,635
Total segment liabilities	₱18,189,089,579	₱4,737,682,101	₱895,492,009	₱316,102,716	₱–	₱24,138,366,405
Other segment information:						
Capital expenditures						₱7,428,455,916
Additions to subdivision land, condominium and residential units for sale						₱2,113,625,708

The revenue of the Group consists mainly of sales to external customers. Inter-segment revenue arising from lease arrangements amounting ₱47 million, ₱50 million and ₱35 million in 2014, 2013 and 2012, 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 and investment properties.

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 which are not part of the Group and therefore not eliminated amounted to about ₱1,630 million, ₱1,472 million and ₱1,406 million in 2014, 2013 and 2012, respectively.

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

	2014	2013	2012
EBITDA	**₱8,973,710,972**	₱8,441,119,163	₱7,321,384,277
Depreciation and amortization (Note 24)	**(2,731,972,693)**	(2,458,900,922)	(2,083,885,060)
Other income - net	**14,634,631**	9,156,927	366,195,300
Income before income tax	**₱6,256,372,910**	₱5,991,375,168	₱5,603,694,517

Other income - net consists of interest income, mark to market loss on derivative assets and interest expense.

7. Cash and Cash Equivalents

	2014	2013
Cash on hand and in banks	**₱492,007,143**	₱517,692,935
Short-term investments	**562,948,046**	563,840,976
	₱1,054,955,189	₱1,081,533,911

Cash in banks earn interest at the prevailing bank deposit rates. Short-term Investments are invested for varying periods of up to three (3) months and earn interest at the prevailing short-term investment rates ranging from 1.00% to 4.63%, 3.75% to 4.25% and 1.50% to 4.88% in 2014, 2013 and 2012, respectively.

Interest earned from cash in banks and short-term investments for the years ended September 30, 2014, 2013 and 2012 amounted to ₱14 million, ₱112 million and ₱493 million, respectively (see Note 26).

8. Receivables

	2014	2013
Trade		
Installment contract receivables	**₱5,402,789,946**	₱4,043,812,231
Accrued rent receivables	**415,491,997**	410,431,963
Rental receivables (Note 20)	**348,025,949**	379,376,373
Hotel operations	**173,641,016**	121,817,074
	6,339,948,908	4,955,437,641
Affiliated companies (Note 20)	**21,662,502**	21,390,495
Others	**383,728,995**	120,457,206
	6,745,340,405	5,097,285,342
Less allowance for impairment losses	**46,042,217**	46,042,217
	6,699,298,188	5,051,243,125
Less noncurrent portion	**2,715,423,991**	2,162,008,724
	₱3,983,874,197	₱2,889,234,401

The installment contract receivables aggregating ₱5,403 million and ₱4,044 million as of September 30, 2014 and 2013, respectively are collectible in monthly installments over a period of one (1) to five (5) years and bear annual interest ranging from 12% to 21% computed on the diminishing balance of the principal. The noncurrent portion of receivables of ₱2,715 million and ₱2,162 million as of September 30, 2014 and 2013 pertain to installment contract receivables. The title of the real estate property which is the subject of the installment contract receivables passes to the buyer once the receivable is fully paid.

Rental receivables from affiliated companies included under "Rental receivables" amounted to about ₱68 million and ₱31 million as of September 30, 2014 and 2013, 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 as a consequence of recognizing income on a straight-line basis.

Other receivables consist primarily of insurance claims receivable amounting to ₱211 million in 2014 while none for 2013, receivables from officers and employees and advances to brokers in both 2014 and 2013. The receivables from officers and employees are advances related to conduct of business activities subject to liquidation and for personal loans which are collected through salary deduction.

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

Allowance for Impairment Losses on Trade Receivables

As of September 30, 2014 and 2013, trade receivables with carrying value of ₱46 million were impaired and fully provided for. Changes in allowance for impairment losses on trade receivables follow:

	2014				
	Individual Assessment			**Collective Assessment**	
	Installment Contract Receivables	**Rental Receivable**	**Hotels Operations**	**Installment Contract Receivables**	**Total**
Balances at beginning of year	**₱504,270**	**₱13,400,757**	**₱13,137,190**	**₱19,000,000**	**₱46,042,217**
Provision for impairment losses (Note 23)	**–**	**–**	**–**	**–**	**–**
Balances at end of year	**₱504,270**	**₱13,400,757**	**₱13,137,190**	**₱19,000,000**	**₱46,042,217**

	2013				
	Individual Assessment			Collective Assessment	
	Installment Contract Receivables	Rental Receivable	Hotels Operations	Installment Contract Receivables	Total
Balances at beginning of year	₱504,270	₱13,400,757	₱12,970,002	₱19,000,000	₱45,875,029
Provision for impairment losses (Note 23)	–	–	167,188	–	167,188
Balances at end of year	₱504,270	₱13,400,757	₱13,137,190	₱19,000,000	₱46,042,217

Aging Analysis

The aging analysis of the Group's receivables follows:

	2014						
		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	**₱5,402,789,946**	**₱3,782,837,444**	**₱291,665,594**	**₱112,021,788**	**₱70,105,225**	**₱1,126,655,625**	**₱19,504,270**
Accrued rent receivables	**415,491,997**	**415,491,997**	**–**	**–**	**–**	**–**	**–**
Rental receivables	**348,025,949**	**139,562,071**	**36,183,445**	**34,541,610**	**15,252,441**	**109,085,625**	**13,400,757**
Hotel operations	**173,641,016**	**68,016,461**	**44,939,047**	**22,830,902**	**12,553,153**	**12,164,263**	**13,137,190**
Affiliated companies (Note 20)	**21,662,502**	**21,662,502**	**–**	**–**	**–**	**–**	**–**
Others	**383,728,995**	**383,728,995**	**–**	**–**	**–**	**–**	**–**
	₱6,745,340,405	**₱4,811,299,470**	**₱372,788,086**	**₱169,394,300**	**₱97,910,819**	**₱1,247,905,513**	**₱46,042,217**

	2013						
		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	₱4,043,812,231	₱2,580,440,157	₱247,516,569	₱105,179,744	₱90,022,269	₱1,001,149,222	₱19,504,270
Accrued rent receivables	410,431,963	410,431,963	–	–	–	–	–
Rental receivables	379,376,373	234,120,586	16,483,416	27,753,856	5,871,255	81,746,503	13,400,757
Hotel operations	121,817,074	55,274,306	21,289,057	18,328,706	5,711,701	8,076,114	13,137,190
Affiliated companies (Note 20)	21,390,495	21,390,495	–	–	–	–	–
Others	120,457,206	120,457,206	–	–	–	–	–
	₱5,097,285,342	₱3,422,114,713	₱285,289,042	₱151,262,306	₱101,605,225	₱1,090,971,839	₱46,042,217

9. Subdivision Land, Condominium and Residential Units for Sale

	2014	2013
Land and condominium units	**₱10,434,181,923**	₱8,029,540,668
Residential units and subdivision land development costs	**4,740,525,939**	3,990,079,150
	₱15,174,707,862	₱12,019,619,818

The subdivision land, condominium and residential units for sale are carried at cost.

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 ₱3,071 million, ₱3,060 million and ₱2,361 million for the years ended September 30, 2014, 2013 and 2012, respectively (see Note 22).

A summary of the movement in inventory is set out below:

	2014	2013
Balances at beginning of year	**₱12,019,619,818**	₱10,991,157,298
Construction/development costs incurred	**4,464,421,970**	4,088,607,238
Transfers from investment properties and property and equipment (Notes 11 and 12)	**1,762,006,476**	–
Cost of inventory sold (Note 22)	**(3,071,340,402)**	(3,060,144,718)
Balances at end of year	**₱15,174,707,862**	₱12,019,619,818

There are no subdivision land, condominium and residential units for sale as of September 30, 2014 and 2013 that are pledged as security to liabilities.

10. **Other Current Assets**

	2014	2013
Value-added input tax - net	**₱1,054,026,970**	₱910,568,114
Advances to lot owners and joint operations	**1,045,651,481**	650,040,326
Advances to suppliers and contractors	**711,652,381**	299,178,145
Restricted cash - escrow	**217,835,586**	929,874,330
Supplies	**73,427,010**	87,235,436
Prepaid expenses	**40,382,742**	34,233,031
Utility deposits (Notes 31 and 32)	**5,125,017**	5,726,084
Others	**9,659,767**	13,032,822
	₱3,157,760,954	₱2,929,888,288

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 lot owners and joint operations consist of advance payments to land owners which will be applied against the acquisition cost of the real properties that will be acquired. The application is expected to be within twelve (12) months after the reporting date. This also includes deposit to various joint operations partners representing share in an ongoing real estate development which will be liquidated at the end of joint venture agreement. This deposit will be realized through the Group's share in the completed units or share in the sales proceeds of the units, depending on the agreement with the other party.

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.

Restricted cash - escrow pertains to cash placed in escrow funds earmarked for the acquisition of parcels of land, pursuant to the memorandum of agreement (MOA) with various sellers. Said amount shall be released to the sellers upon fulfillment of certain conditions set forth in MOA.

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.

11. **Investment Properties**

	2014				
	Land	**Land Improvements**	**Buildings and Improvements**	**Construction In Progress**	**Total**
Cost					
Balances at beginning of year	**₱20,633,353,853**	**₱152,815,947**	**₱36,288,472,004**	**₱9,876,100,576**	**₱66,950,742,380**
Additions	**1,731,454,418**	**35,616,726**	**2,239,852,269**	**5,038,750,343**	**9,045,673,756**
Retirements/disposals	**–**	**(2,133,476)**	**(461,287,984)**	**–**	**(463,421,460)**
Reclassifications/transfers (Notes 9 and 12)	**(1,333,635,499)**	**(268,216)**	**8,723,896,571**	**(9,288,558,592)**	**(1,898,565,736)**
Balances at end of year	**21,031,172,772**	**186,030,981**	**46,790,932,860**	**5,626,292,327**	**73,634,428,940**
Accumulated Depreciation and Amortization					
Balances at beginning of year	**–**	**68,760,004**	**16,577,490,495**	**–**	**16,646,250,499**
Depreciation and amortization (Notes 22 and 24)	**–**	**11,543,638**	**2,297,614,711**	**–**	**2,309,158,349**
Retirements/disposals	**–**	**(647,534)**	**(165,382,993)**	**–**	**(166,030,527)**
Reclassifications/transfers (Notes 9 and 12)	**–**	**(4,470)**	**(10,413,173)**	**–**	**(10,417,643)**
Balances at end of year	**–**	**79,651,638**	**18,699,309,040**	**–**	**18,778,960,678**
Net Book Value	**₱21,031,172,772**	**₱106,379,343**	**₱28,091,623,820**	**₱5,626,292,327**	**₱54,855,468,262**

	2013				
	Land	Land Improvements	Buildings and Improvements	Construction In Progress	Total
Cost					
Balances at beginning of year	₱18,364,513,399	₱132,572,404	₱35,428,029,712	₱4,788,778,156	₱58,713,893,671
Additions	2,268,840,454	20,347,310	977,846,798	5,161,797,053	8,428,831,615
Retirements/disposals	–	–	(133,480,632)	–	(133,480,632)
Reclassifications/transfers (Note 12)	–	(103,767)	16,076,126	(74,474,633)	(58,502,274)
Balances at end of year	20,633,353,853	152,815,947	36,288,472,004	9,876,100,576	66,950,742,380
Accumulated Depreciation and Amortization					
Balances at beginning of year	–	59,155,665	14,602,554,175	–	14,661,709,840
Depreciation and amortization (Notes 22 and 24)	–	9,653,592	2,061,180,745	–	2,070,834,337
Retirements/disposals	–	–	(70,077,332)	–	(70,077,332)
Reclassifications/transfers (Note 12)	–	(49,253)	(16,167,093)	–	(16,216,346)
Balances at end of year	–	68,760,004	16,577,490,495	–	16,646,250,499
Net Book Value	₱20,633,353,853	₱84,055,943	₱19,710,981,509	₱9,876,100,576	₱50,304,491,881

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

Depreciation and amortization expense charged to operations amounted to ₱2,309 million, ₱2,071 million and ₱1,860 million for the year ended September 30, 2014, 2013 and 2012, respectively (see Note 24).

Borrowing costs capitalized amounted to about ₱897 million and ₱959 million in 2014 and 2013, 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 2014 and 2013 is 5.85% and 8.46%, respectively (see Note 16).

The fair value of investment properties which has been determined based on valuations performed by independent professional qualified appraisers 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 fair value as of September 30, 2014 and 2013 amounted to ₱153,105 million and ₱98,712 million, respectively, which are based on appraisal reports dated September 30, 2013 and September 30, 2012, respectively. Management believes that the fair values derived as of the appraisal dates still represent the fair values as of September 30, 2014 and 2013, respectively.

The fair values of the investment properties were arrived at using the following approaches. These are categorized within level 3 of the fair value hierarchy.

Property	2014	2013
Malls and office buildings, including land where these are situated	Income approach	Cost of replacement
Raw land	Market data approach	Market data approach

The fair value of the malls and office buildings were previously determined using the cost of replacement method. The Group believes that the DCF method provides better reflects the operation of the malls and office buildings and has, therefore, decided to change the valuation method to income approach. There were no other changes in valuation technique other than those described above.

The income approach, is based on the premise that the value of a property is directly related to the income it generates. This approach converts anticipated future gains to present worth by projecting reasonable income and expenses for the subject property. The valuer used discounted cash flows method (DCF method). The major process included in the valuation process consists of the following:

- Estimation of the revenues generated;
- Estimation of the costs and expenses related to the operations of the development;
- Estimation of an appropriate discount rate; and
- Discounting process using an appropriate discount rate to arrive at an indicative market value

In the market data 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.

In the cost of replacement approach, the cost to reproduce or replace in new condition, the subject asset in accordance with current market prices for similar assets, with allowance for accrued depreciation based on physical wear and tear and obsolescence. Under the cost replacement approach, malls and buildings were broken down into major components such as foundations, columns, beams, floorings, walls and roofings using workable linear meter, square meter, cubic meter or other appropriate basis unit. Bills of quantities for each component using basic units are prepared and related to the unit cost for each component developed based on current costs of materials, labor, plant and equipment prevailing in the locality to arrive at the direct costs of the buildings and other land improvements, whereupon indirect costs such as contractor's profits, overhead, taxes and fees and other related expenses are added.

Rental income derived from investment properties amounted to ₱7,956 million, ₱7,417 million and ₱6,691 million for the year ended September 30, 2014, 2013 and 2012, respectively (see Note 21).

Property operations and maintenance costs arising from investment properties amounted to ₱369 million, ₱360 million and ₱330 million for the year ended September 30, 2014, 2013 and 2012, respectively (see Note 22).

Investment properties with total carrying value of ₱297 million were written off as losses due to typhoons Yolanda and Glenda and the Galleria Mall fire (see Note 23).

There are no investment properties as of September 30, 2014 and 2013 that are pledged as security to liabilities.

12. Property and Equipment

	2014				
	Land Improvements	**Buildings and Improvements**	**Theater Furniture and Equipment**	**Other Equipment**	**Total**
Cost					
Balances at beginning of year	**₱53,053,667**	**₱3,524,542,736**	**₱613,625,682**	**₱2,244,409,905**	**₱6,435,631,990**
Additions	**1,994,373**	**116,204,880**	**60,074,552**	**408,823,735**	**587,097,540**
Retirements/disposal	**(195,170)**	**(21,157,062)**	**(3,956,504)**	**(26,275,761)**	**(51,584,497)**
Reclassifications/transfers (Notes 9 and 11)	**(967,365)**	**97,721,097**	**15,387,801**	**24,376,968**	**136,518,501**
Balances at end of year	**53,885,505**	**3,717,311,651**	**685,131,531**	**2,651,334,847**	**7,107,663,534**
Accumulated Depreciation and Amortization					
Balances at beginning of year	**33,895,250**	**1,572,847,143**	**361,702,129**	**1,609,239,616**	**3,577,684,138**
Depreciation and amortization (Notes 22 and 24)	**5,746,304**	**124,037,310**	**78,012,758**	**215,017,972**	**422,814,344**
Retirements/disposal	**(195,170)**	**(4,234,618)**	**(2,282,552)**	**(18,244,378)**	**(24,956,718)**
Reclassifications/transfers (Notes 9 and 11)	**(36,289)**	**10,413,173**	**–**	**–**	**10,376,884**
Balances at end of year	**39,410,095**	**1,703,063,008**	**437,432,335**	**1,806,013,210**	**3,985,918,648**
Net Book Value	**₱14,475,410**	**₱2,014,248,643**	**₱247,699,196**	**₱845,321,637**	**₱3,121,744,886**

	2013				
	Land Improvements	Buildings and Improvements	Theater Furniture and Equipment	Other Equipment	Total
Cost					
Balances at beginning of year	₱46,381,398	₱3,385,699,075	₱383,230,524	₱1,961,594,257	₱5,776,905,254
Additions	4,402,302	143,320,972	230,395,158	295,447,703	673,566,135
Retirements/disposal	–	(60,709,618)	–	(12,632,055)	(73,341,673)
Reclassifications/transfers (Note 11)	2,269,967	56,232,307	–	–	58,502,274
Balances at end of year	53,053,667	3,524,542,736	613,625,682	2,244,409,905	6,435,631,990
Accumulated Depreciation and Amortization					
Balances at beginning of year	25,986,419	1,472,608,624	301,773,333	1,445,865,218	3,246,233,594
Depreciation and amortization (Notes 22 and 24)	7,785,911	144,854,711	59,928,796	175,497,167	388,066,585
Retirements/disposal	–	(60,709,618)	–	(12,122,769)	(72,832,387)
Reclassifications/transfers (Note 11)	122,920	16,093,426	–	–	16,216,346
Balances at end of year	33,895,250	1,572,847,143	361,702,129	1,609,239,616	3,577,684,138
Net Book Value	₱19,158,417	₱1,951,695,593	₱251,923,553	₱635,170,289	₱2,857,947,852

Depreciation and amortization expense charged to operations amounted to ₱423 million, ₱388 million and ₱224 million for the year ended September 30, 2014, 2013 and 2012, respectively (see Note 24).

Property and equipment with carrying value of ₱27 million were written off as losses due to typhoons Yolanda and Glenda and the Galleria fire loss (see Note 23).

The following are the costs of property and equipment that are fully depreciated as of September 30, 2014 and 2013 but still used in operations:

	2014	2013
Building and improvements	**₱626,351,142**	₱309,990,403
Other equipment	**97,528,661**	86,629,630
Furniture and equipment	**23,798,234**	13,332,602
Land improvements	**698,241**	698,241
	₱748,376,278	₱410,650,876

There are no property and equipment items as of September 30, 2014 and 2013 that are pledged as security to liabilities.

13. **Other Noncurrent Assets**

	2014	2013
Prepaid rent	**₱487,240,915**	₱–
Utility deposits (Notes 31 and 32)	**445,450,098**	322,194,721
Advances to lot owners	**215,181,554**	215,181,554
Advances to suppliers and contractors	**95,002,163**	13,430,451
Others	**62,605,213**	90,521,095
	₱1,305,479,943	₱641,327,821

Other noncurrent assets are to be recovered or applied more than twelve months after reporting date.

Prepaid rent pertains to advance rentals for the first 14 years of the 25-year operating lease agreement between BCDA and ASNC (a wholly-owned subsidiary). The contract, which was entered into last August 2014, is for the long-term and development of approximately 5,000 sqm Lawton Corporate Center along Lawton Avenue, Bonifacio South, Taguig City. Subsequently, the said contract was assigned to the Parent Company through a Deed of Assignment wherein ASNC assigns all its rights, interests, and obligations on the contract of lease with approval of BCDA as provided for under the contract.

Upon the expiration of the initial lease period, the Parent Company has the option to purchase the property or to renew its lease term. Should the Parent Company exercise its option to purchase the property, the purchase price shall be based on the fair market value including the permanent improvements. Otherwise, the ownership of all buildings and permanent improvements constructed by the Parent Company on the property shall automatically be transferred to BCDA. Therefore, should the Parent Company opt to renew its lease over the property, the new lease rate for the 25-year extension period shall cover the land as well as the buildings and permanent improvements transferred to BCDA. The fixed lease for the initial year of the lease extension period shall be 5% of the average fair market value of the property on the 25th year of the lease including the permanent improvements constructed therein.

Utility deposits consist primarily of bid bonds and meter deposits for commercial and real estate projects. These are deposits to utility companies in order to continue the availment of their services.

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.

Advances to suppliers and contractors represent advance payment to supplier or contractors which will be applied against the final billing. The application is expected to be applied beyond twelve (12) months from the reporting date.

14. **Accounts Payable and Accrued Expenses**

	2014	2013
Accounts payable	**₱3,199,378,029**	₱2,419,597,277
Taxes and licenses payable	**1,289,954,148**	1,383,524,613
Accrued film rental payable	**310,652,227**	212,700,583
Accrued salaries and wages	**310,428,367**	298,708,336
Accrued contracted services	**211,112,998**	137,252,728
Accrued interest payable	**97,776,517**	131,850,937
Dividends payable	**12,888,535**	10,020,929
Other accrued payable	**229,357,013**	236,787,720
	₱5,661,547,834	₱4,830,443,123

Accounts payable mainly includes unpaid billings from suppliers and contractors, including retention payable, related to construction activities.

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

Other accrued payable include insurance payable and accrued utilities.

All payables above are expected to be settled within the next twelve (12) months after the reporting period.

15. **Deposits and Other Liabilities**

	2014	2013
Deposits from lessees (Notes 17, 31 and 32)	**₱3,116,378,222**	₱2,597,968,315
Deposits from real estate buyers (Note 17)	**1,524,405,333**	1,575,297,369
Payables to affiliated companies and others (Notes 20, 31 and 32)	**240,120,678**	157,278,917
	4,880,904,233	₱4,330,544,601
Less noncurrent portion of deposits from lessees and real estate buyers (Note 17)	**2,279,279,434**	2,287,780,931
	₱2,601,624,799	₱2,042,763,670

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 ₱78 million, ₱59 million and ₱65 million in 2014, 2013 and 2012, respectively (see Notes 22 and 26).

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 expected to be applied to the contract price within one year.

Deposits from real estate buyers also include cash collections in excess of the installment contract receivables recognized under the percentage-of-completion method.

Unearned rental income (included under the caption "Deposit from lessees") amounted to ₱218 million and ₱101 million as of September 30, 2014 and 2013, respectively. The rental income on amortization of unearned rental income included in "Rental income" amounted to ₱77 million, ₱54 million and ₱65 million in 2014, 2013 and 2012, 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

Short-term loans

	Principal Amount	**2014**	2013
Short-term loan obtained from a local bank with principal payable upon maturity in October 2014. Interest rate is at 2.0% per annum payable monthly.	**₱764,300,000**	**₱764,300,000**	₱–
Short-term loan obtained from a local bank with principal payable upon maturity in November 2014. Interest rate is at 2.0% per annum payable monthly.	**3,143,550,000**	**3,143,550,000**	–
Short-term loan obtained from a local bank with principal payable upon maturity in December 2014. Interest rate is at 2.0% per annum payable monthly.	**803,500,000**	**803,500,000**	–
Short-term loan obtained from a local bank with principal payable upon maturity in January 2015. Interest rate is at 2.75% per annum payable monthly.	**2,686,900,000**	**2,686,900,000**	–
Short-term loan obtained from a local bank with principal payable upon maturity in December 2014. Interest rate is at 2.5% per annum payable monthly.	**495,200,000**	**495,200,000**	–
Short-term loan obtained from a local bank with principal payable upon maturity in January 2015. Interest rate is at 2.25% per annum payable monthly.	**208,000,000**	**208,000,000**	–
Short-term loan obtained from a local bank that matured in February 2014. Interest rate is at 2.0% per annum.	**1,400,000,000**	–	1,400,000,000
Short-term loan obtained from a local bank that matured in January 2014. Interest rate is at 2.0% per annum.	**962,800,000**	–	962,800,000
Short-term loan obtained from a local bank that matured in October 2013. Interest rate is at 2.0% per annum.	**315,600,000**	–	315,600,000
	₱10,779,850,000	**₱8,101,450,000**	₱2,678,400,000

Interest costs capitalized are disclosed in Note 11.

Long-term loans

	Principal Amount	2014	2013
Five-year term loan from BDO Unibank, Inc. maturing on July 14, 2019. Principal payable in full upon maturity, with interest fixed rate at 5.0438%, payable quarterly.	**₱9,000,000,000**	**₱9,000,000,000**	₱–
Five-year term loan from BDO Leasing & Finance, Inc. maturing on July 14, 2019. Principal payable in full upon maturity, with interest fixed rate at 5.0438%, payable quarterly	**1,000,000,000**	**1,000,000,000**	–
Five-year and one day bond from HSBC maturing on July 14, 2014. Principal payable upon maturity, 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
Five-year and one day bond from HSBC maturing on August 27, 2014. Principal payable upon maturity, 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
	20,000,000,000	**10,000,000,000**	10,000,000,000
Less current portion		**–**	10,000,000,000
Long-term portion	**20,000,000,000**	**10,000,000,000**	–
Less debt issue costs	**82,040,000**	**79,698,532**	–
Long-term portion net of debt issue costs	**₱19,917,960,000**	**₱9,920,301,468**	₱–

The Group's loans payable are all unsecured. The credit facility is fully drawn as of September 30, 2014 and 2013.

Debt issue costs pertain to direct expenses in obtaining the ₱9,000 million and ₱1,000 million loans. These are deferred and amortized using effective interest method over the 5-year term of the loans.

Loans Payable due in July 2019

On July 8, 2014, the Group borrowed ₱9,000 million and ₱1,000 million under Term Loan Facility Agreements with BDO Unibank, Inc. and BDO Leasing and Finance, Inc., respectively.

The ₱9,000 million loan was released in two tranches amounting to ₱5,000 million and ₱4,000 million on July 14, 2014 and August 27, 2014, respectively. The interest rate is at 5.0438% per annum and shall be payable quarterly, computed on the basis of a year of 365 calendar days for the actual number of days elapsed.

The ₱1,000 million loan was released on July 14, 2014 with interest rate at 5.0438% per annum and shall be payable quarterly, computed on the basis of a year of 365 calendar days for the actual number of days elapsed.

The interest rate for both loans was fixed based on the applicable five (5) - year PDSTF plus 1% spread determined one (1) banking day prior to the initial borrowing and inclusive of gross receipts tax, but subject to a floor rate of 4.5% per annum. The market rate at the date of inception is above the floor rate of 4.5% and management assessed that the interest rate floor is clearly and closely related to the host contract and is not required to be separately valued.

The Group may, subject to the penalty of one percent (1%), prepay the loan in part or in full together with accrued interest thereof to prepayment date. The Group has assessed that the embedded derivative related to this prepayment option is clearly and closely related to the host contract thus was not separately valued.

Debt Covenants
The Group is required to maintain a debt to equity ratio not exceeding 2:1. The Group has complied with the debt covenant as of September 30, 2014.

Five Year and One-day 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 were used for general corporate purposes, such as, but not limited to the financing various capital expenditures. The bond was paid with a lump sum payment last July 14, 2014.

The interest rate was at 8.5% per annum and paid semi-annually, computed based on the outstanding balance with payments commenced on the issue date and ended on the maturity date. The payment of the interest began 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 as of September 30, 2013.

Five Year and One-day 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 were used for general corporate purposes, such as, but not limited to the financing various capital expenditures. The bond was paid with a lump-sum payment last August 27, 2014.

The interest rate was at 8.25% per annum and paid semi-annually, computed based on the outstanding balance with payments commenced on the issue date and ended on the maturity date. The payment of the interest began 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 as of September 30, 2013.

Loans Payable which matured 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 was 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 was paid quarterly, computed based on the outstanding balance with payments commenced on the issue date and ended on the maturity date.

The loan was paid in full on June 6, 2013.

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.

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

Long-term loans

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Total
2014	**₱–**	**₱–**	**₱–**	**₱–**	**₱10,000,000,000**	**₱10,000,000,000**
2013	₱10,000,000,000	₱–	₱–	₱–	₱–	₱10,000,000,000

Refer to Note 11 for capitalized borrowing costs.

17. Deposits and Other Noncurrent Liabilities

	2014	2013
Deposits from lessees - net of current portion (Notes 15, 31 and 32)	**₱1,572,741,843**	₱2,040,052,876
Accrued rent expense	**1,312,553,101**	1,226,985,790
Deposits from real estate buyers - net of current portion (Note 15)	**706,537,591**	247,728,055
Pension liabilities (Note 29)	**213,319,417**	185,644,714
Retention payable	**201,956,963**	164,382,894
Advances for marketing and promotional fund	**122,743,837**	105,656,712
Others	**188,202,130**	140,450,847
	₱4,318,054,882	₱4,110,901,888

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

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 deposits from real estate buyers which are expected to be applied to the contract price within one year are classified as current.

Retention payable pertains to payments to suppliers and contractors that are withheld until completion of the project after meeting certain conditions/criteria and are expected to be paid beyond twelve (12) months after the reporting date.

Advances for marketing and promotional fund pertain to collections from tenants and receipts from sponsors for mall promotion and advertising expenses. This fund is expected to be used up beyond twelve (12) months after the reporting date.

18. **Retained Earnings**

The declarable dividend of Parent Company amounted to ₱13,182 million and ₱14,792 million as of September 30, 2014 and 2013.

Restriction
A portion of the unappropriated retained earnings representing the undistributed net earnings of subsidiaries amounting ₱699 million and ₱517 million as of September 30, 2014 and 2013 respectively, are not available for dividend declaration until declared as dividends at the level of the subsidiaries.

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

Dividends declared
The BOD declared cash dividends in favor of all its stockholders as follows:

	2014	2013	2012
Date of declaration	**May 12, 2014**	April 18, 2013	April 18, 2012
Date of payment	**June 25, 2014**	June 6, 2013	June 1, 2012
Ex-dividend rate	**May 29, 2014**	May 10, 2013	May 8, 2012
Dividend per share	**₱0.36**	₱0.36	₱0.36
Total dividends	**₱1,473,779,046**	₱1,473,779,046	₱1,473,779,046

On October 31, 2013, the BOD of ASNC approved the declaration and payment of cash dividends of ₱20 million or ₱0.20 per share for all shareholders of record as of October 31, 2013.

On September 26, 2014, the BOD of ASNC approved the declaration and payment of cash dividends of ₱30 million or ₱0.30 per share for all shareholders of record as of September 30, 2014.

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

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

On September 13, 2013, the BOD approved the reversal of the retained earnings it has appropriated in 2009 and 2003 amounting to ₱10,500 million as the related projects to which the retained earnings were earmarked were completed already. The amount was originally earmarked for the continuing capital expenditures of the Group for subdivision land, condominium and residential units for sale, investment properties and property and equipment.

On the same date, the BOD also approved the appropriation of ₱11,200 million, out of the unappropriated retained earnings, to support the capital expenditure requirements of the Group for various projects approved by the Executive Committee during meetings held between April 2009 to August 2013. These projects and acquisitions are expected to be completed in various dates from July 2014 until March 2019.

19. **Capital Stock**

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

	2014	2013	2012
Authorized - at ₱1 par value	**8,200,000,000**	8,200,000,000	8,200,000,000
Exclusive of treasury shares:			
At beginning of the period	**4,093,830,685**	4,093,830,685	4,093,830,685
Additional subscription	**–**	–	–
Issued, fully paid and outstanding	**4,093,830,685**	4,093,830,685	4,093,830,685

Increase in Authorized Capital Stock
On November 19, 2010, the 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, 2014:

	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, 2012	4,111,528,685			1,270
Add (deduct) movement	–			(118)
October 1, 2013	4,111,528,685			1,152
Add (deduct) movement	–			(34)
September 30, 2014	4,111,528,685			1,118

Note: Inclusive of 17,698,000 treasury shares

Treasury Shares

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

As of September 30, 2014, the Parent Company has a total of 17,698,000 treasury shares for a total purchase price of ₱222 million at an average price of ₱12.53 per share.

Capital Management

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

The Group monitors its use of capital structure using a debt-to-capital ratio which is gross debt divided by total equity. The Group includes within gross debt all interest-bearing loans and borrowings, while capital represents total equity. Following is a computation of the Group's debt-to-capital ratio as of September 30, 2014 and 2013.

	2014	2013
(a) Loans payable (Note 16)	**₱18,101,450,000**	₱12,678,400,000
(b) Equity	**₱52,437,051,117**	₱49,168,805,406
(c) Debt-to-capital ratio (a/b)	**0.35:1**	0.26:1

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. Affiliates are entities that are owned and controlled by the Ultimate Parent Company and neither a subsidiary or associate of the Group. These affiliates are effectively sister companies of the Group by virtue of ownership of the Ultimate Parent Company. Related parties may be individuals or corporate entities.

The amounts and balances arising from significant related party transactions are as follows:

	2014			
	Amount/ Volume	**Outstanding balance**	**Terms**	**Conditions**
Ultimate Parent Company				
a) Rental income/ receivable	**₱23,828,944**	**₱142,921**	Three to five year lease terms at prevailing market lease rates; renewable at the end of lease term	Unsecured; no impairment
b) Advances to	**11,456,260**	**45,736,790**	Interest bearing; due and demandable; interest rates ranging from 2% to 4%	Unsecured; no impairment
• Interest income	**692,337**	**325,329**		
b) Advances from	**16,367,938**	**(100,920,442)**	Non-interest bearing; due and demandable	Unsecured
Under common control				
c) Cash and cash equivalents				
• Cash in banks	**13,502,309**	**297,265,232**	Interest bearing at prevailing market rate; at 1.00% to 1.13% per annum due and demandable	Unsecured; no impairment
• Short-term investments	**319,978,415**	**319,978,415**	Interest bearing at prevailing market rate; at 1.00% to 4.63% per annum due and demandable	Unsecured; no impairment
• Interest income (under bank deposits in Note 26)	**3,418,053**	**16,779**		

(Forward)

	2014			
	Amount/ Volume	**Outstanding balance**	**Terms**	**Conditions**
a) Rental income	**₱1,606,199,950**	**₱68,148,120**	Three to five year lease terms at prevailing market lease rate; renewable at the end of lease term	Unsecured; no impairment
b) Advances to	**272,007**	**21,662,502**	Non-interest bearing; due and demandable	Unsecured; no impairment
b) Advances from	**7,430,083**	**(39,752,355)**	Non-interest bearing; due and demandable	Unsecured
		₱612,603,291		

	2013			
	Amount/ Volume	Outstanding balance	Terms	Conditions
Ultimate Parent Company				
c) Rental income	₱17,608,676	₱223,159	Three to five year lease terms at prevailing market lease rates; renewable at the end of lease term	Unsecured; no impairment
d) Advances to	34,605,859	34,605,859	Interest bearing; due and demandable; interest rates ranging from 2% to 4%	Unsecured; no impairment
• Interest income	1,291,518	–		
d) Advances from	84,552,504	(84,552,504)	Non-interest bearing; due and demandable	Unsecured
Under common control				
e) Cash and cash equivalents				
• Cash in banks	68,358,583	283,762,923	Interest bearing at prevailing market rate; at 3.75% to 4.25% per annum due and demandable	Unsecured; no impairment
• Short-term investments	167,594,435	167,594,435	Interest bearing at prevailing market rate; at 3.75% to 4.25% per annum due and demandable	Unsecured; no impairment
• Interest income (under bank deposits in Note 26)	25,123,149	–		
c) Rental income	1,454,025,479	30,885,247	Three to five year lease terms at prevailing market lease rate; renewable at the end of lease term	Unsecured; no impairment
b) Advances to	3,339,575	21,390,495	Non-interest bearing; due and demandable	Unsecured; no impairment
c) Advances from	4,570,508	(32,322,272)	Non-interest bearing; due and demandable	Unsecured
		₱421,587,342		

Outstanding balances consist of the following:

	2014	2013
Cash and cash equivalents (Note 7)	**₱617,243,647**	₱451,357,358
Rental receivables (Note 8)	**68,307,820**	31,108,406
Receivable from affiliated companies (Note 8)	**21,662,502**	21,390,495
Payable to affiliated companies (Note 15)	**(94,610,678)**	(82,268,917)
	₱612,603,291	₱421,587,342

Significant transactions with related parties are as follows:

a) *Rental income*
The Group leases commercial properties to affiliated companies with a lease term of three to five years based on prevailing market lease rates.

b) *Advances to (from) affiliated companies*
The Group, in the normal course of business, has transactions with its major stockholders, Ultimate Parent Company and its affiliated companies consisting principally of lease arrangements and advances principally for working capital requirement and financing for real estate development.

c) *Cash and cash equivalents*
The Group maintains savings and current accounts and time deposits with an entity under common control which is a local commercial bank. Cash and cash equivalents earns interest at the prevailing bank deposit rates.

Compensation of key management personnel by benefit type follows:

	2014	2013	2012
Short-term employee benefits	**₱738,018,843**	₱682,360,017	₱616,010,624
Post-employment benefits	**34,833,887**	29,616,732	24,684,981
	₱772,852,730	₱711,976,749	₱640,695,605

There are no other arrangements between the Group and any of its directors and key officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled to under the Group's pension plan.

21. Revenue

	2014	2013	2012
Real Estate Operations			
Rental income (Notes 20 and 34)	**₱7,956,129,097**	₱7,417,282,135	₱6,690,605,012
Real estate sale	**5,646,638,459**	5,300,508,087	4,105,106,260
Amusement income	**1,259,795,201**	1,016,315,050	831,006,331
Others	**654,864,078**	673,589,978	504,262,858
	15,517,426,835	14,407,695,250	12,130,980,461
Hotel Operations			
Rooms	**959,133,430**	940,469,217	827,551,796
Food and beverage	**536,740,915**	505,969,977	510,557,588
Others	**37,874,048**	50,358,575	45,969,701
	1,533,748,393	1,496,797,769	1,384,079,085
	₱17,051,175,228	₱15,904,493,019	₱13,515,059,546

Real estate sales include interest income from installment contract receivable amounting to ₱499 million, ₱477 million and ₱254 million in 2014, 2013 and 2012, respectively (Note 26).

Other revenue under real estate operations are from receipts of association dues and receipts of penalties from tenants and real estate buyers and forfeitures from cancelled sales.

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

22. **Costs**

	2014	2013	2012
Real Estate Operations			
Cost of Rental Services			
Depreciation and amortization (Note 24)	**₱2,565,368,005**	₱2,272,334,213	₱1,912,389,630
Property operations and maintenance costs (Note 11)	**369,495,071**	359,651,438	330,477,032
Others (Note 15)	**78,279,804**	58,504,429	65,116,921
	3,013,142,880	2,690,490,080	2,307,983,583
Cost of Real Estate Sales (Note 9)	**3,071,340,402**	3,060,144,718	2,360,585,729
Cost of Amusement Services			
Film rentals expense	**575,239,755**	485,315,516	389,831,006
Others	**403,144,880**	327,734,935	200,972,586
	7,062,867,917	6,563,685,249	5,259,372,904
Hotel Operations			
Cost of room services			
Property operations and maintenance costs	**195,399,258**	233,546,408	242,611,908
Depreciation and amortization (Note 24)	**166,604,688**	186,566,709	171,495,430
	362,003,946	420,113,117	414,107,338
Cost of food and beverage	**194,969,736**	177,965,719	180,153,791
Others			
Salaries and wages (Note 25)	**174,781,984**	167,509,230	157,744,392
Contracted services	**108,079,136**	99,507,759	89,662,972
Management fee	**94,822,595**	91,246,840	79,690,847
Supplies	**42,256,119**	37,011,843	39,511,902
Commission	**25,376,851**	23,054,576	19,161,552
Others	**171,803,936**	139,954,299	133,651,385
	617,120,621	558,284,547	519,423,050
	1,174,094,303	1,156,363,383	1,113,684,179
	₱8,236,962,220	₱7,720,048,632	₱6,373,057,083

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**

	2014	2013	2012
Salaries and wages (Notes 20, 25 and 29)	**₱598,070,746**	₱544,467,479	₱482,951,213
Advertising and promotions	**560,643,583**	469,215,355	390,625,809
Commission	**454,056,685**	343,961,848	286,594,711
Taxes and licenses	**427,647,099**	422,522,767	310,882,751
Rent (Note 34)	**152,181,973**	108,587,882	162,304,510
Insurance	**97,024,210**	69,760,402	64,725,206
Light, water and communication	**90,166,983**	76,318,318	73,064,564
Supplies	**73,944,512**	56,912,788	40,271,678
Travel and transportation	**47,989,393**	39,783,781	37,633,323
Entertainment, amusement and recreation	**28,938,181**	14,918,024	19,707,417

(Forward)

	2014	2013	2012
Donation	**₱16,551,281**	₱25,680,990	₱12,111,071
Provision for impairment losses (Note 8)	**–**	167,188	731,444
Others	**25,260,083**	29,929,324	22,899,549
	₱2,572,474,729	₱2,202,226,146	₱1,904,503,246

The Group recognized losses of ₱324 million due to property damages to its investment properties and property and equipment brought about by typhoons Yolanda and Glenda and the Galleria Mall fire loss (see Notes 11 and 12). The Group recorded a gain for the same amount for the claims from the insurance companies for such losses, thus the net is nil. Out of the total gain recognized, ₱113 million were received during the year while the remaining ₱211 million was recorded as receivables (see Note 8).

24. Depreciation and Amortization

	2014	2013	2012
Real estate (Notes 11, 12 and 22)	**₱2,565,368,005**	₱2,272,334,213	₱1,912,389,630
Hotel operations (Notes 11, 12 and 22)	**166,604,688**	186,566,709	171,495,430
	₱2,731,972,693	₱2,458,900,922	₱2,083,885,060

25. Personnel Expenses

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

	2014	2013	2012
Salaries, wages and other staff costs	**₱641,755,851**	₱586,711,030	₱539,736,312
Pension expense (Note 29)	**34,833,887**	29,616,732	24,684,981
SSS contributions, PAG-IBIG contributions, premiums and others	**96,262,992**	95,648,947	76,274,312
	₱772,852,730	₱711,976,709	₱640,695,605

The above amounts are distributed as follows:

	2014	2013	2012
General and administrative (Note 23)	**₱598,070,746**	₱544,467,479	₱482,951,213
Hotel operations (Note 22)	**174,781,984**	167,509,230	157,744,392
	₱772,852,730	₱711,976,709	₱640,695,605

26. Interest Income and Interest Expense

	2014	2013	2012
Interest income			
Bank deposits (Note 7)	**₱13,942,294**	₱112,105,758	₱492,841,237
Receivable from affiliated companies (Note 20)	**692,337**	1,291,518	135,137
	14,634,631	113,397,276	492,976,374
Interest income from installment contract receivable - recognized under real estate sales (Note 21)	**499,324,875**	477,286,247	253,601,041
	₱513,959,506	₱590,683,523	₱746,577,415

Interest expense consists of (see Notes 15 and 16):

	2014	2013	2012
Short-term loans	**₱–**	₱14,097,197	₱–
Long-term loans	**–**	–	44,427,351
	–	14,097,197	44,427,351
Accretion on security deposits - recognized under cost of rental services (Note 15)	**78,279,804**	58,504,429	65,116,921
	₱78,279,804	₱72,601,626	₱109,544,272

Capitalized borrowing costs in 2014 and 2013 are discussed in Note 11.

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:

	2014	2013	2012
Current			
RCIT	**₱998,494,220**	₱1,110,200,943	₱782,959,598
Final tax	**1,507,346**	19,723,327	93,387,468
MCIT	**207,883**	143,711	157,259
	1,000,209,449	1,130,067,981	876,504,325
Deferred	**521,263,644**	384,488,481	479,845,207
	₱1,521,473,093	₱1,514,556,462	₱1,356,349,532

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

	2014	2013	2012
Statutory income tax rate	**30.00%**	30.00%	30.00%
Reductions in income tax resulting from:			
Interest income subjected to final tax	**(0.01)**	(0.16)	(0.83)
Tax exempt real estate sales	**(1.07)**	(0.05)	(0.03)
Income subjected to BOI, PEZA and lower tax	**(4.59)**	(4.52)	(4.94)
Effective income tax rate	**24.33%**	25.27%	24.20%

Deferred taxes as of September 30, 2014 and 2013 relate to the tax effects of the following:

	2014	2013
Deferred tax assets:		
Accrued rent expense	**₱414,966,643**	₱389,296,450
Accrued interest expense	**158,681,249**	135,416,077
Accrued retirement payable	**64,747,128**	57,935,294
Allowance for impairment loss	**13,812,665**	13,812,665
MCIT	**313,633**	313,633
	652,521,318	596,774,119
Deferred tax liabilities:		
Unamortized capitalized interest expense	**(1,226,444,486)**	(1,029,764,101)
Excess of real estate revenue based on percentage-of-completion over real estate revenue based on tax rules	**(1,077,765,550)**	(877,839,647)
Accrued rent income	**(148,279,229)**	(137,205,603)
Unamortized debt issuance cost	**(26,675,150)**	(2,765,590)
Prepaid rent	**(147,569,124)**	–
	(2,626,733,539)	(2,047,574,941)
Net deferred tax liabilities	**(₱1,974,212,221)**	(₱1,450,800,822)

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 of subsidiaries amounting to ₱7 million and ₱20 million in 2014 and 2013, respectively.

The deferred tax assets of the above deductible temporary differences for which no deferred tax assets have been recognized amounted to ₱2 million and ₱6 million as of September 30, 2014 and 2013, 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, 2014	₱1,012,159	September 30, 2017
September 30, 2013	1,272,693	September 30, 2016
September 30, 2012	5,001,645	September 30, 2015
	₱7,286,497	

Period of recognition	Amount	Period of expiration
MCIT		
September 30, 2014	₱207,883	September 30, 2017
September 30, 2013	143,711	September 30, 2016
September 30, 2012	157,259	September 30, 2015
	₱508,853	

28. **Earnings Per Share**

Earnings per share amounts were computed as follows:

	2014	2013	2012
a. Net income attributable to equity holders of Parent Company	**₱4,737,013,328**	₱4,478,403,024	₱4,241,116,563
b. Weighted average number of common shares outstanding adjusted	**4,093,830,685**	4,093,830,685	4,093,830,685
c. Earnings per share (a/b)	**₱1.16**	₱1.09	₱1.04

There were no potential dilutive shares in 2014, 2013 and 2012.

29. **Employee Benefits**

Pension Plans

The Group has funded, noncontributory, defined benefit pension plans covering all of its regular employees.

It provides benefits based on a number of month's salary for every year of service. Under the existing regulatory framework, Republic Act 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The pension funds are being administered and managed through JG Summit Multi-Employer Retirement Plan (the "Plan"), with RBC as Trustee. The plans provide for retirement, separation, disability and death benefits to their members. The Group, however, reserves the right to discontinue, suspend or change the rates and amounts of their contributions at any time on account of business necessity or adverse economic conditions. The retirement plan has an Executive Retirement Committee, which is mandated to approve the plan, trust agreement, investment plan, including any amendments or modifications thereto, and other activities of the Plan. Certain members of the BOD of the Parent Company are represented in the Executive Retirement Committee. Robinsons Bank Corporation manages the plan assets based on the mandate as defined in the trust agreement.

The components of pension expense (included in "Personnel expenses" under "Costs and General and administrative expenses" in the consolidated statements of comprehensive income) follow:

	2014	2013 As restated - (see Note 3)	2012 As restated - (see Note 3)
Service cost	**₱28,555,085**	₱21,460,566	₱17,719,870
Net interest cost	**6,278,802**	8,156,166	6,965,111
Pension expense	**₱34,833,887**	₱29,616,732	₱24,684,981

There are no plan amendments, curtailments or settlements for the period ended September 30, 2014 and 2013.

The amounts recognized as pension liabilities included under 'Other noncurrent liabilities' in the consolidated statements of financial position follow:

	2014	2013 As restated - (see Note 3)	2012 As restated - (see Note 3)
Present value of defined benefit obligation	**₱347,007,878**	₱317,562,564	₱235,324,869
Fair value of plan assets	**(133,688,461)**	(131,917,850)	(55,031,838)
Pension liabilities	**₱213,319,417**	₱185,644,714	₱180,293,031

Changes in net defined benefit liability of funded funds in 2014, 2013 and 2012 follow:

	2014		
	Present value of defined benefit obligation	**Fair value of plan assets**	**Net defined benefit liability/(asset)**
Balance at beginning of year	**₱317,562,564**	**₱131,917,850**	**₱185,644,714**
Net benefit cost in consolidated statement of comprehensive income:			
Current service cost	**28,555,085**	**–**	**28,555,085**
Net interest cost/income	**12,057,765**	**5,778,963**	**6,278,802**
Subtotal	**40,612,850**	**5,778,963**	**34,833,887**
Benefits paid	**–**	**–**	**–**
Remeasurements in other comprehensive income:			
Return on plan assets	**–**	**(4,008,352)**	**4,008,352**
Actuarial changes arising from experience Adjustments	**7,009,915**	**–**	**7,009,915**
Actuarial changes arising from changes in financial/demographic assumptions	**(18,177,451)**	**–**	**(18,177,451)**
Subtotal	**(11,167,536)**	**(4,008,352)**	**(7,159,184)**
Contributions paid	**–**	**–**	**–**
Balance at end of year	**₱347,007,878**	**₱133,688,461**	**₱213,319,417**

	2013		
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability/(asset)
Balance at beginning of year	₱235,324,869	₱55,031,838	₱180,293,031
Net benefit cost in consolidated statement of comprehensive income:			
Current service cost	21,460,566	–	21,460,566
Net interest cost/income	11,233,382	3,077,216	8,156,166
Subtotal	32,693,948	3,077,216	29,616,732
Benefits paid	(2,467,729)	(2,467,729)	–
Remeasurements in other comprehensive income:			
Return on plan assets	–	2,934,150	(2,934,150)
Actuarial changes arising from experience Adjustments	11,854,349	–	11,854,349
Actuarial changes arising from changes in financial/demographic assumptions	40,157,127	–	40,157,127
Subtotal	52,011,476	2,934,150	49,077,326
Contributions paid	–	73,342,375	(73,342,375)
Balance at end of year	₱317,562,564	₱131,917,850	₱185,644,714

	2012		
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability/(asset)
Balance at beginning of year	₱141,132,302	₱52,103,163	₱89,029,139
Net benefit cost in consolidated statement of comprehensive income:			
Current service cost	17,719,870	–	17,719,870
Net interest cost/income	10,615,810	3,650,699	6,965,111
Subtotal	28,335,680	3,650,699	24,684,981
Benefits paid	(3,824,955)	(8,925,085)	5,100,130
Remeasurements in other comprehensive income:			
Return on plan assets	–	6,419,031	(6,419,031)
Actuarial changes arising from experience Adjustments	33,563,492	–	33,563,492
Actuarial changes arising from changes in financial/demographic assumptions	36,118,350	–	36,118,350
Subtotal	69,681,842	6,419,031	63,262,811
Contributions paid	–	1,784,030	(1,784,030)
Balance at end of year	₱235,324,869	₱55,031,838	₱180,293,031

The major categories and corresponding fair values of plan assets by class of the Group's Plan as at the end of each reporting period are as follow:

	2014	2013	2012
Cash and cash equivalents			
Special deposit account	**₱47,617,750**	₱62,399,110	₱–
Savings deposit account	**146**	135	–
Time deposit	–	3,677,632	322,549
	47,617,896	66,076,877	322,549
Investment in debt instruments			
Fixed rate bonds			
Rated	**15,972,200**	–	–
Not rated	**4,724,400**	–	–
	20,696,600	–	–
Other debt instruments			
Rated	**5,500,000**	5,500,000	–
Not rated	**2,589,618**	2,594,197	–
	8,089,618	8,094,197	–
Accrued interest receivable	**279,644**	244,706	–
Other assets	**57,011,093**	57,508,271	54,709,289
Accrued trust and management fee payable	**(6,390)**	(6,201)	–
	₱133,688,461	₱131,957,850	₱55,031,838

The composition of the fair value of the Fund includes:

- *Cash and cash equivalents* - include savings and time deposit with various banks and special deposit account with Bangko Sentral ng Pilipinas.

- *Investment in debt instruments* - include investment in long-term debt notes and retail bonds.

- *Accrued interest receivable and other assets* - include interest earned from investments and receivable from affiliated companies.

- *Accrued trust and management fee payable* - pertains mainly to charges of trust or in the management of the plan.

The Plan has no investment in the Parent Company as of September 30, 2014, 2013 and 2012.

The plan assets have diverse investments and do not have any concentration risk.

The management performs an asset-liability matching strategy annually. The overall investment policy and strategy of the Group's defined benefit plans is guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay pension benefits as they fall due while also mitigating the various risk of the plans.
The overall expected rates of return on assets are based on the market expectations prevailing as at the reporting date, applicable to the period over which the obligation is settled.

The Group expects to contribute ₱37 million to the defined benefit pension plans in 2015.

The average duration of the defined benefit obligation of the Group as of September 30, 2014, is 15 years.

The principal assumptions used to determine the pension benefits of the Group follow:

	2014	2013	2012
Discount rate	**4.52% to 5.02%**	3.80% to 4.54%	5.21% - 5.76%
Rate of salary increase	**5.50%**	5.50%	4.00% - 5.50%

There are no unusual or significant risks to which the Plan exposes the Group. However, in the event a benefit claim arises under the Retirement Plan and the Retirement Fund is not sufficient to pay the benefit, the unfunded portion of the claim shall immediately be due and payable from the Group to the Retirement Fund.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the retirement benefit obligation as of September 30, 2014, assuming if all other assumptions were held constant. The balances below show the addition/reduction in pension obligation assuming assumptions are changed:

	Increase (Decrease)	Effect on Pension Liabilities
Discount rates	+1.00%	(₱30,987,127)
	-1.00%	36,043,484
Future salary increases	+1.00%	₱34,029,803
	-1.00%	(29,959,181)

Shown below is the maturity analysis of the undiscounted benefit payments of the Group:

	2014	2013
Less than 1 year	**₱64,191,016**	₱51,225,670
More than 1 years to 5 years	**63,369,174**	54,515,456
More than 5 years to 10 years	**175,391,802**	145,800,993
More than 10 years to 15 years	**386,581,484**	286,936,109
More than 15 years to 20 years	**321,281,192**	397,208,620
More than 20 years	**390,781,446**	356,454,968

30. **Interest in Joint Operations**

The Group has entered into joint operations agreements with various landowners and other companies with various percentage interests in these joint operations depending on the value of the land or investment against the estimated development costs. These joint operations agreements entered into by the Group relate to the development and sale of subdivision land, condominium and residential units, with certain level of sharing in the proceeds of sale of developed units. The Group's joint operations agreements typically require the joint operations partner to contribute the land free from any lien, encumbrance and tenants or informal settlers to the project, with the Group bearing all the cost related to the land development and the construction of subdivision land, condominium and residential units, including the facilities.

Sales and marketing costs are allocated to both the Group and the joint operations partner. The projects covering the joint operations agreement are expected to be completed within two to three years. Each joint operations party has committed to contribute capital based on the terms of the joint operations agreement.

Joint operations projects with Harbour Land Realty and Development Corp and Federal Land, Inc.
On February 7, 2011, the Parent Company entered into a joint operations 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 agreed 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%.

As of September 30, 2014 and 2013, advances to joint operations partners amounted to ₱82 million and nil, respectively and payable to joint operations partners included in "accounts payable" account amounted to ₱101 million and ₱89 million, respectively.

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:

	September 30			
	2014		2013	
Assets				
Cash and cash equivalents	**$363,268**	**₱16,336,162**	$401,198	₱17,468,161
Liabilities				
Accounts payable and accrued expenses	**91,282**	**4,104,952**	204,020	8,883,031
Net foreign currency-denominated assets	**$271,986**	**₱12,231,210**	$197,178	₱8,585,130

The exchange rates used to translate the Group's USD-denominated assets and liabilities as of September 30, 2014 and 2013 follow:

	2014	2013
US Dollar - Philippine Peso exchange rate	**₱44.97 to US$1.00**	₱43.54 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, 2014 and 2013.

Reasonably Possible Changes in USD-PHP Exchange Rates	Change in Income Before Income Tax
2014	
2.0% PHP appreciation	(₱244,624)
2.0% PHP depreciation	244,624
2013	
2.0% PHP appreciation	(₱171,703)
2.0% PHP depreciation	171,703

Sensitivity to foreign exchange rates is calculated on the Group's foreign currency denominated assets and liabilities, assuming a more likely scenario of foreign exchange rate of USD-PHP that can happen within 12 months after reporting date using the same balances of financial assets and liabilities as of reporting date.

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, 2014, 2013 and 2012, 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.

	2014					
	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	**₱492,007,143**	**₱562,948,046**	**₱–**	**₱–**	**₱–**	**₱1,054,955,189**
Receivables						
Trade	**1,914,536,665**	**447,901,669**	**1,216,193,852**	**2,659,623,278**	**55,651,227**	**6,293,906,691**
Affiliated companies	**21,662,502**	**–**	**–**	**–**	**–**	**21,662,502**
Others	**46,330,200**	**71,589,146**	**265,660,163**	**149,486**	**–**	**383,728,995**
Other assets						
Utility deposits	**5,106,072**	**–**	**18,945**	**247,884,198**	**197,565,900**	**450,575,115**
Total financial assets	**₱2,479,642,582**	**₱1,082,438,861**	**₱1,481,872,960**	**₱2,907,656,962**	**₱253,217,127**	**₱8,204,828,492**
Accounts payable and accrued expenses	**₱1,185,385,438**	**₱1,398,178,395**	**₱1,788,029,853**	**₱643,539,179**	**₱1,084,290,302**	**₱6,099,423,167**
Payables to affiliated companies (included under Deposits and other liabilities account in the consolidated statement of financial position)	**240,120,678**	**–**	**–**	**–**	**–**	**240,120,678**
Deposits from lessees	**852,939,794**	**227,460,782**	**463,235,803**	**1,522,658,778**	**50,083,065**	**3,116,378,222**
Loans payable and future interest payment	**–**	**8,621,282,393**	**1,501,906,389**	**5,854,953,555**	**11,260,275,961**	**27,238,418,298**
Other financial liabilities	**₱2,278,445,910**	**₱10,246,921,570**	**₱3,753,172,045**	**₱8,021,151,512**	**₱12,394,649,328**	**₱36,694,340,365**

	2013					
	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	₱517,692,935	₱563,840,976	₱–	₱–	₱–	₱1,081,533,911
Receivables						
Trade	1,621,805,358	451,939,956	673,790,619	2,054,696,664	107,162,827	4,909,395,424
Affiliated companies	21,390,495	–	–	–	–	21,390,495
Others	68,170,573	1,284,626	50,852,774	149,233	–	120,457,206
Other assets						
Utility deposits	5,106,072	–	620,012	229,756,579	92,438,142	327,920,805
Total financial assets	₱2,234,165,433	₱1,017,065,558	₱725,263,405	₱2,284,602,476	₱199,600,969	₱6,460,697,841

(Forward)

	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	₱1,272,846,752	₱999,410,560	₱1,174,661,198	₱148,918,101	₱1,428,095,297	₱5,023,931,908
Payables to affiliated companies (included under Deposits and other liabilities account in the consolidated statement of financial position)	157,278,917	–	–	–	–	157,278,917
Deposits from lessees	197,324,431	275,604,060	84,986,948	2,022,067,035	17,985,841	2,597,968,315
Loans payable and future interest payment	–	315,651,879	13,216,052,000	–	–	13,531,703,879
Other financial liabilities	₱1,627,450,100	₱1,590,666,499	₱14,475,700,146	₱2,170,985,136	₱1,446,081,138	₱21,310,883,019

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, 2014 and 2013, 100% of the Group's loans payable are at a fixed rate of interest.

The Group has no financial instruments with variable interest rates exposed to interest rate risk as of September 30, 2014 and 2013.

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. As disclosed in Note 8, receivables are collateralized with the subject real estate property, in such a way that title of the real estate property only passes to the buyer once the receivable is fully paid. The value of the collateral is impracticable to be quantified but the unpaid balances from buyers are generally lower than the value of the collateral. These measures result in the Group's exposure to impairment loss as not significant.

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

a. Credit risk exposure

The table below shows the gross maximum exposure to credit risk of the Group as of September 30, 2014, and 2013 without considering the effects of collaterals and other credit risk mitigation techniques.

	2014	2013
Cash and cash equivalents (net of cash on hand)	**₱1,038,865,951**	₱1,065,644,349
Receivables - net		
Trade receivables		
Installment contract receivable	**5,383,285,676**	4,024,307,961
Accrued rent receivable	**415,491,997**	410,431,963
Rental receivables	**334,625,192**	365,975,616
Hotel operations	**160,503,826**	108,679,884
Affiliated companies	**21,662,502**	21,390,495
Other receivables	**383,728,995**	120,457,206
Other assets		
Utility deposits	**450,575,115**	327,920,805
	₱8,188,739,254	₱6,444,808,279

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, 2014, and 2013, gross of allowance for credit and impairment losses.

	2014				
	Neither Past Due Nor Impaired			**Past Due or**	
	High Grade	**Standard Grade**	**Substandard Grade**	**Individually Impaired**	**Total**
Loans and receivables					
Cash and cash equivalents	**₱1,038,865,951**	**₱–**	**₱–**	**₱–**	**₱1,038,865,951**
Receivables:					
Trade receivables					
Installment contract receivables	**3,782,837,444**	**–**	**–**	**1,619,952,502**	**5,402,789,946**
Accrued rent receivables	**415,491,997**	**–**	**–**	**–**	**415,491,997**
Rental receivables	**139,562,071**	**–**	**–**	**208,463,878**	**348,025,949**
Hotel operations	**68,016,461**	**–**	**–**	**105,624,555**	**173,641,016**
Affiliated companies	**21,662,502**	**–**	**–**	**–**	**21,662,502**
Other receivables	**383,728,995**	**–**	**–**	**–**	**383,728,995**
Other assets					
Utility deposits	**450,575,115**	**–**	**–**	**–**	**450,575,115**
	₱6,300,740,536	**₱–**	**₱–**	**₱1,934,040,935**	**₱8,234,781,471**

	2013				
	Neither Past Due Nor Impaired			Past Due or Individually Impaired	
	High Grade	Standard Grade	Substandard Grade		Total
Loans and receivables					
Cash and cash equivalents	₱1,065,644,349	₱–	₱–	₱–	₱1,065,644,349
Receivables:					
Trade receivables					
Installment contract receivables	2,580,440,157	–	–	1,463,372,074	4,043,812,231
Accrued rent receivables	410,431,963	–	–	–	410,431,963
Rental receivables	234,120,586	–	–	145,255,787	379,376,373
Hotel operations	55,274,306	–	–	66,542,768	121,817,074
Affiliated companies	21,390,495	–	–	–	21,390,495
Other receivables	120,457,206	–	–	–	120,457,206
Other assets					
Utility deposits	327,920,805	–	–	–	327,920,805
	₱4,815,679,867	₱–	₱–	₱1,675,170,629	₱6,490,850,496

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. Receivable from installment contract receivables are considered high grade as title of the real estate property of the subject receivable passes to the buyer once fully paid. 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.

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 matured on June 6, 2013, thus there are no outstanding derivatives as of September 30, 2014 and 2013, respectively. Mark-to-market gain (loss) in applicable years is recorded as part of "Other Income (Losses)".

The rollforward of the derivative asset is as follows:

	2014	2013
Balance at beginning of year	₱–	₱90,143,152
Mark to market loss	–	(90,143,152)
Balance at end of year	₱–	₱–

32. **Financial Instruments**

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

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

	2014		2013	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Installment contract receivable	**₱5,383,285,676**	**₱5,159,438,913**	₱4,024,307,961	₱3,808,804,188
Deposits from lessees	**3,116,378,222**	**2,968,970,154**	2,597,968,315	2,440,601,693
Loans payable	**18,021,751,468**	**19,121,226,719**	12,678,400,000	13,062,147,269

The fair values of installment contract receivables, customers' deposits and loans payable are based on the discounted value of future cash flows using the applicable rates for similar types of loans and receivables as of reporting date and is classified under Level 3 based on the fair value hierarchy below. The discount rates used range from 1.7% to 4.0% in 2014 and 1.3% to 3.0% in 2013.

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

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

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

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

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

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 non-pioneer 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.

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 Non-Pioneer 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.

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 Non-Pioneer 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.

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 Non-Pioneer 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.

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.

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 Non-Pioneer 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.

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 Non-Pioneer 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.

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 four (4) years from January 2009 to December 2012.

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 Non-Pioneer 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.

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 Non-Pioneer 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.

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 three (3) years from May 2011 to May 2014.

Summit Circle - 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 - Summit Circle 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 three (3) years from June 2011 to 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 Non-Pioneer 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.

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 July 2010 to June 2014.

Escalades South Metro Phase I
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 Non-Pioneer status at a capacity of five hundred twenty eight (528) units, under Certificate of Registration No. 2011-169 dated August 1, 2011. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from November 2012 to October 2015.

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 February 2012 to February 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 April 2012 to April 2016.

Go Hotel, Iloilo

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, Iloilo)" on a Non-Pioneer status at a capacity of one hundred sixty seven (167) rooms, under Certificate of Registration No. 2014-016 dated January 29, 2014. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from January 2014 to December 2017.

Azalea Place, Gorordo Avenue,Cebu City

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 Non-Pioneer status at a capacity of three hundred eight (308) units, under Certificate of Registration No. 2011-203 dated September 15, 2011. 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 June 2016.

The Pearl Place - Tower A

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 Non-Pioneer status at a capacity of six hundred twenty five (625) units, under Certificate of Registration No. 2012-008 dated January 11, 2012. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from October 2013 to September 2016.

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.

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 ₱152 million, ₱109 million and ₱162 million in 2014, 2013 and 2012, respectively. Future minimum rentals payable under noncancellable operating leases as of September 30 are as follows:

	2014	2013	2012
Within one (1) year	**₱60,225,464**	₱57,785,146	₱54,522,307
After one (1) year but not more than five (5) years	**274,917,570**	261,005,269	247,979,627
After more than five (5) years	**5,492,119,217**	5,566,256,982	6,063,324,450
	₱5,827,262,251	₱5,885,047,397	₱6,365,826,384

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 ₱7,956 million, ₱7,417 million and ₱6,691 million in 2014, 2013 and 2012, respectively. Total percentage rent recognized as income for 2014, 2013 and 2012 amounted to ₱2,167 million, ₱1,972 million and ₱1,814 million, respectively.

Future minimum rentals receivable under noncancellable operating leases as of September 30 follows:

	2014	2013	2012
Within one (1) year	**₱4,252,470,638**	₱3,112,884,935	₱2,782,412,518
After one (1) year but not more than five (5) years	**5,915,813,342**	4,326,077,400	3,444,531,626
After more than five (5) years	**437,292,732**	352,475,356	521,601,465
	₱10,605,576,712	₱7,791,437,691	₱6,748,545,609

Capital Commitments
The Group has contractual commitments and obligations for the construction and development of investment properties and property and equipment items aggregating ₱11,551 million and ₱11,154 million as of September 30, 2014 and 2013, respectively. Moreover, the Group has contractual obligations amounting to ₱1,241 million and ₱2,129 million as of September 30, 2014 and 2013, 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 pertains to transfers from investment properties to property and equipment and subdivision land, condominium and residential units for sale amounting to ₱1,887 million, ₱42 million and ₱702 million in 2014, 2013 and 2012, respectively.

Noncash operating activity pertains to the accretion of customers deposit amounting to ₱78 million, ₱59 million and ₱65 million in 2014, 2013 and 2012, respectively.

36. Subsequent Events

On December 5, 2014, the BOD approved the capital raising activity of the Parent Company through issuance of fixed rate bonds. The Parent Company proposes an issuance of fixed rate bonds in the aggregate principal amount of up to ₱10,000 million with an oversubscription option for an additional ₱2,000 million subject to the requirements of the Securities and Exchange Commission and the rating process of the Philippine Rating Services Corporation. Proceeds of the offer shall be used by the Company to refinance existing short term debt obligations and partially fund investment capital expenditure requirements.

37. **Approval of the Consolidated Financial Statements**

The accompanying consolidated financial statements were authorized for issue by the BOD on January 5, 2015.

SGV
Building a better working world

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BOA/PRC Reg. No. 0001,
December 28, 2012, valid until December 31, 2015
SEC Accreditation No. 0012-FR-3 (Group A),
November 15, 2012, valid until November 16, 2015

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors
Robinsons Land Corporation
Level 2, Galleria Corporate Center
EDSA corner Ortigas Avenue, Quezon 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, 2014 and 2013 and for each of the three years in the period ended September 30, 2014 included in this Form 17-A and have issued our report thereon dated January 5, 2015. 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. 4225226, January 2, 2014, Makati City

January 5, 2015

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED ON SRC RULE 68 AND 68.1 AS AMENDED

SEPTEMBER 30, 2014

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, fair value through profit or loss and held to maturity as of September 30, 2014.

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, 2014:

Name	Balance at beginning of year	Additions	Collections/ Liquidations	Balance at end of year
Amparo D. Jamis	₱162,235	₱1,308,086	(₱982,995)	₱487,326
Marigold Jennifer C. Garcia	–	223,525	–	223,525
Julio Rafael B. Dizon	–	164,000	–	164,000
Marianne P. Estabillo	127,538	2,433,253	(2,441,534)	119,257
Maricon C. Tocao	–	301,410	(191,410)	110,000
Cora L. Ang Ley	–	100,000	–	100,000
	₱289,773	₱4,530,274	(₱3,615,939)	₱1,204,108

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 parties which are eliminated in the consolidated financial statements as of September 30, 2014:

	Volume of Transactions		Receivable	Terms
Robinsons Properties Marketing and Management Corporation (RPMMC)	Share in expenses	(₱5,199,212)	₱13,829,419	Non-interest bearing and to be settled within one year
Altus Angeles, Inc. (AAI)	Advances	1,299,858	85,370,099	Non-interest bearing and to be settled within one year
GoHotels Davao, Inc. (GHDI)	Share in expenses	13,623	384,773	Non-interest bearing and to be settled within one year
Robinsons Realty and Management Corporation (RRMC)	Share in Expenses	15,785	552,579	Non-interest bearing and to be settled within one year
		(₱3,869,946)	₱100,136,870	

	Balance at beginning of period	Additions	Collections	Balance at end of period
RPMMC	₱19,028,631	₱–	₱5,199,212	₱13,829,419
AAI	84,070,241	1,299,858	–	85,370,099
GHDI	371,150	13,623	–	384,773
RRMC	536,794	15,785	–	552,579
	₱104,006,816	₱1,329,266	₱5,199,212	₱100,136,870

The intercompany transactions between the Parent Company and the subsidiaries pertain to share in expenses, marketing fees and advances for cost of equipment. 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, 2014:

	Relationship	Nature	Balance at end of period
Robinsons Recreation Corporation	Under common control	B	₱11,328,023
Universal Robina Corporation	Under common control	A	5,403,586
JG Summit Capital Markets Corporation	Under common control	A	1,520,227
Express Holdings, Inc.	Under common control	A	973,513
Oriental Petroleum & Mining Corp.	Under common control	A	754,095
Robinsons Pharmacies, Inc.	Under common control	A	586,618
Others	Under common control	A, B	1,096,440
			₱21,662,502

Other receivables from affiliates account consist primarily of receivables from Robinsons Handyman, Inc., Cebu Pacific and other affiliates.

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, 2014.

Schedule D. Intangible Assets
The Group does not have intangible assets as of September 30, 2014.

Schedule E. Long-term debt
Below is the schedule of long-term debt of the Group as of September 30, 2014:

	Amount	Current	Noncurrent
Parent Company Loans			
Five-year term loan from BDO Unibank, Inc. maturing on July 14, 2019 with fixed rate at 5.0438%, interest payable quarterly	₱9,000,000,000	₱–	₱9,000,000,000
Five-year term loan from BDO Leasing & Finance, Inc. maturing on July 14, 2019 with fixed rate at 5.0438%, interest payable quarterly	1,000,000,000	–	1,000,000,000
	₱10,000,000,000	₱–	₱10,000,000,000

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, 2014:

	Relationship	Nature	Balance at beginning of period	Balance at end of period
Westpoint Industrial Mills	Under common control	A	₱22,819,452	₱29,904,104
JG Summit Holdings, Inc.	Parent	A, C	49,946,645	54,858,323
Others	Under common control	A, B	9,502,820	9,848,251
			₱82,268,917	₱94,610,678

Others consist primarily of payables to Robinsons, Inc. and Robinsons Savings Bank Corp.

Due to JG Summit Holdings, Inc. and other affiliates increased due to the advances made during the period for working capital requirements.

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, 2014.

Schedule G. Guarantees of Securities of Other Issuers

The Group does not have guarantees of securities of other issuers as of September 30, 2014.

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	17,764,581	1,579,951,497

**Note: Exclusive of 17,698,000 treasury shares*

ANNEX 68 - C

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, 2014

Unappropriated Retained Earnings, beginning, as previously reported	₱14,804,372,854
Effect of the adoption of PAS 19 (Revised)	(12,162,038)
Unappropriated Retained Earnings, beginning, as restated	14,792,210,816
Adjustments:	
Other unrealized expense as a result of transactions accounted for under PFRS:	
Straight line adjustment for rental expense (PAS 17)	1,226,985,790
Discounting effect on installment contract receivable (PAS 39)	246,663,917
Straight line adjustment rental income (PAS 17)	(403,924,885)
Discounting effect on security deposits (PAS 39)	(5,105,552)
Unappropriated Retained Earnings as adjusted, beginning	15,856,830,086
Net income actually earned/realized during the year	
Net income during the year closed to Retained Earnings	4,553,397,002
Less: Non-actual/unrealized income, net of tax	
Equity in net income of associate/joint venture	–
Unrealized foreign exchange gain - net	–
Unrealized actuarial gain	–
Fair value adjustment (M2M gains)	–
Fair value adjustment of Investment Property resulting to gain	–
Adjustment due to deviation from PFRS/GAAP - gain	–
Other unrealized expense or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS:	
Straight line adjustment for rental expense (PAS 17)	85,567,311
Discounting effect on installment contract receivable (PAS 39)	(32,406,306)
Straight line adjustment rental income (PAS 17)	(9,249,568)
Discounting effect on security deposits (PAS 39)	1,330,551
Add: Non-actual losses	
Movements in deferred tax assets	–
Depreciation on revaluation increment (after tax)	–
Adjustment due to deviation from PFRS/GAAP - loss	–
Loss on fair value adjustment of investment property (after tax)	–
	4,598,638,990
Less: Cash dividend declaration during the year	(1,473,779,046)
Reversal of appropriation	11,200,000,000
Additional appropriation during the year	(17,000,000,000)
Total Unappropriated Retained Earnings Available For Dividend Distribution, September 30, 2014	₱13,181,690,030

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

SCHEDULE OF ALL EFFECTIVE STANDARDS AND INTERPRETATIONS UNDER PHILIPPINE FINANCIAL REPORTING STANDARDS
September 30, 2014

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, 2014 that were adopted and not applicable to the Group:

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of September 30, 2014		Adopted	Not Early Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
PFRSs Practice Statement Management Commentary				✓
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards			✓
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			✓
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
PFRS 3 (Revised)	Business Combinations	✓		
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of September 30, 2014		Adopted	Not Early Adopted	Not Applicable
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	✓		
	Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures		✓	
PFRS 8	Operating Segments	✓		
PFRS 9	Financial Instruments		✓	
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures		✓	
PFRS 10	Consolidated Financial Statements	✓		
	Amendments to PFRS 10: Consolidated Financial Statements		✓	
PFRS 11	Joint Arrangements	✓		
PFRS 12	Disclosure of Interests in Other Entities	✓		
	Amendments to PFRS 12: Disclosure Interests in Other Entities		✓	
PFRS 13	Fair Value Measurement	✓		
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
PAS 2	Inventories	✓		
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 11	Construction Contracts	✓		
PAS 12	Income Taxes	✓		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of September 30, 2014		Adopted	Not Early Adopted	Not Applicable
PAS 16	Property, Plant and Equipment	✓		
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19	Employee Benefits	✓		
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures	✓		
PAS 19 (Amended)	Employee Benefits	✓		
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs	✓		
PAS 24 (Revised)	Related Party Disclosures	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27	Consolidated and Separate Financial Statements	✓		
PAS 27 (Amended)	Separate Financial Statements		✓	
PAS 28	Investments in Associates	✓		
PAS 28 (Amended)	Investments in Associates and Joint Ventures		✓	
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 31	Interests in Joint Ventures	✓		
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities		✓	
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting	✓		
PAS 36	Impairment of Assets	✓		
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets		✓	
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of September 30, 2014		Adopted	Not Early Adopted	Not Applicable
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities			✓
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition			✓
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives			✓
	Amendment to PAS 39: Eligible Hedged Items			✓
	Amendments to PAS 39: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting		✓	
PAS 40	Investment Property	✓		
PAS 41	Agriculture			✓
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease	✓		
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
IFRIC 8	Scope of PFRS 2			✓
IFRIC 9	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives			✓
IFRIC 10	Interim Financial Reporting and Impairment			✓
IFRIC 11	PFRS 2- Group and Treasury Share Transactions			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of September 30, 2014		Adopted	Not Early Adopted	Not Applicable
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
	Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies		✓	
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-12	Consolidation - Special Purpose Entities			✓
	Amendment to SIC - 12: Scope of SIC 12			✓
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers			✓
SIC-15	Operating Leases - Incentives			✓
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			✓
SIC-29	Service Concession Arrangements: Disclosures.			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs			✓

Standards tagged as “Not Applicable” have been adopted by the Group but have no significant covered transactions for the year ended September 30, 2014.

Standards tagged as “Not Early Adopted” are standards issued but not yet effective as of September 30, 2014. The Group will adopt the Standards and Interpretations when these become effective.

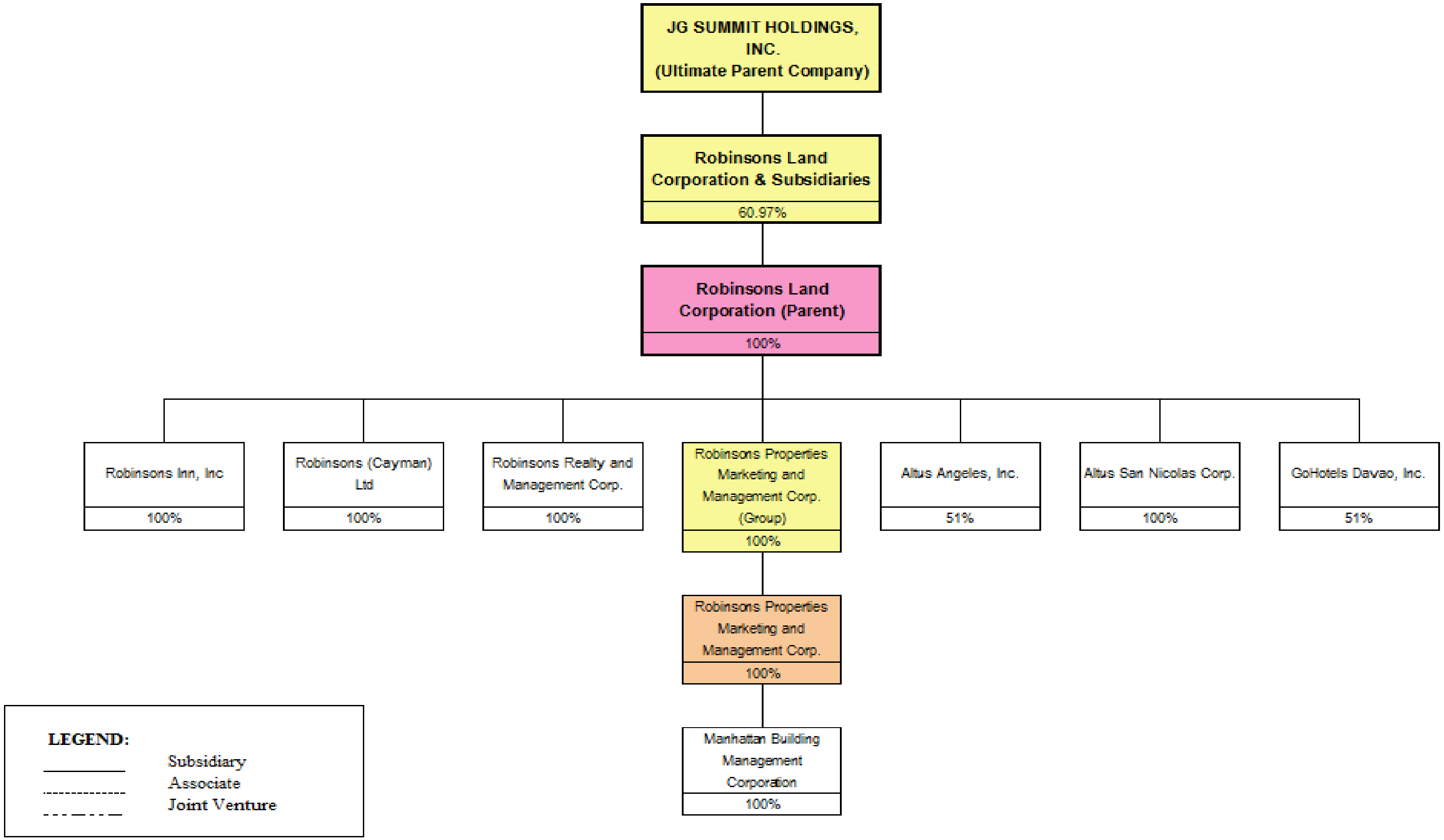
Financial Soundness Indicator

Below are the financial ratios that are relevant to the Group for the year ended September 30, 2014 and 2013.

Financial ratios		2014	2013
Earnings per share	Net income attributable to equity holders of Parent Company / Weighted average number of common shares outstanding	1.16	1.09
Net book value per share	Equity attributable to equity holders of the Parent Company / Outstanding shares	12.81	12.01
Current ratio	Total Current Assets / Total Current Liabilities	1.41	0.95
Debt to equity ratio	Total Loans Payable / Total Equity	0.34	0.26
Interest coverage ratio	EBIT / Interest expense	6.96	6.15
Asset to equity ratio	Total Assets / Total Equity	1.62	1.52
Operating margin ratio	Operating income (EBIT) / Revenue	0.37	0.38

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, 2014:



INDEX TO EXHIBITS

Form 17-A

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(3) Plan Of Acquisition, Reorganization, Arrangement, Liquidation, Or Succession	*
(5) Instruments Defining the Rights of Security Holders, Including Indentures	*
(8) Voting Trust Agreement	*
(9) Material Contracts	*
(10) Annual Report To Security Holders. Form 11-Q Or Quarterly Report To Security Holders	*
(13) Letter Re: Change In Certifying Accountant	*
(16) Report Furnished To Security Holders	*
(18) Subsidiaries of the Registrant	170
(19) Published Report Regarding Matters Submitted To Vote Of Security Holders	*
(20) Consent Of Experts And Independent Counsel	*
(21) Power of Attorney	*

* These exhibits are either not applicable to the Company or require no answer.

EXHIBIT 18: **SUBSIDIARIES OF THE REGISTRANT**

Robinsons Land Corporation has seven subsidiaries as of September 30, 2014:

		% 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	100	-	Philippines
GoHotels Davao, Inc.	Hotel Operation	51	-	Philippines

[1] *Closed operations effective August 31, 2007*