

COVER SHEET

6 2 8 9 3

SEC Registration Number

ROCKWELL LAND CORPORATION AND SUBSIDIARY

(Company's Full Name)

ROCKWELL INFORMATION CENTER, ROCKWELL CENTER, Makati City

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

Ms. Ellen V. Almodiel
(Contact Person)

793-0088
(Company Telephone Number)

0 3 3 1
Month Day
(Fiscal Year)

1 7 - Q
(Form Type)

Month Day
(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

2
Total No. of Stockholders

Total Amount of Borrowings
₱2,628.1million
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:
File Number :

ROCKWELL LAND CORPORATION

(Company's Full Name)

**Rockwell Information Center, Rockwell
Center, Makati City, Philippines**

(Company's Address)

(632) 793-0088

(Telephone Number)

March 31, 2012

(Quarter Ending)

SEC Form 17-Q Quarterly Report

(Form Type)

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q



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

1. For the quarterly period ended March 31, 2012
2. Commission Identification Number 62893
3. BIR Tax Identification Number 004-710-062-000
4. Exact name of issuer as specified in its charter: ROCKWELL LAND CORPORATION
5. Province, country or other jurisdiction of incorporation or organization: Philippines
6. Industry Classification Code: _____ (SEC Use Only)
7. Address of issuer's principal office and postal code:
Rockwell Information Center, Rockwell Center, Makati City 1200
8. Issuer's telephone number, including area code: (632) 793-0088
9. Former name, former address, former fiscal year, if changes since last report: N/A.
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

<u>Title of each class</u>	<u>Number of shares issued and outstanding</u>
Common shares	6,228,382,344 shares (before acquisition)
	6,101,762,198 shares (after acquisition)

Amount of Debt Outstanding
PhP2,628,087,970

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

Stock Exchange: Philippine Stock Exchange
Securities Listed: Common shares

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes No

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

Yes No

TABLE OF CONTENTS

Page No.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

- Consolidated Statement of Financial Position as of
March 31, 2012 and December 31, 2011 3
- Consolidated Statement of Income for the Three Months
Ended March 31, 2012 and March 31, 2011 4
- Consolidated Statement of Changes in Equity for the Three Months
Ended March 31, 2012 and March 31, 2011 5
- Consolidated Statement of Cash Flows for the Three Months
Ended March 31, 2012 and March 31, 2011 6
- Notes to Consolidated Financial Statements 7

Item 2. Management's Discussion and Analysis of Financial Condition and
Results of Operation 12

PART II – OTHER INFORMATION

Item 3. Other Notes and Disclosures 17

SIGNATURE 20

PART I – FINANCIAL INFORMATION**Item 1. Financial Statements****ROCKWELL LAND CORPORATION****CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Amounts in Millions)

	March 31, 2012	December 31, 2011
	Unaudited	Audited
ASSETS		
Current Assets		
Cash and cash equivalents	₱ 166	₱ 448
Trade and other receivables - net	2,234	2,551
Land and development costs - net	5,524	5,585
Advances to contractors	1,057	823
Condominium units for sale	54	64
Other current assets	557	447
Total Current Assets	9,593	9,917
Noncurrent Assets		
Noncurrent trade receivables	42	44
Investment properties - net	4,678	4,731
Investment in joint venture	2,123	2,103
Available-for-sale investments	270	262
Property and equipment - net	400	444
Pension asset	28	33
Other noncurrent asset	451	451
Total Noncurrent Assets	7,992	8,069
	₱17,585	₱17,986
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	₱ 2,114	₱ 2,313
Current portion of interest-bearing loans and borrowings	165	278
Current portion of installment payable	652	652
Deposits from pre-selling of condominium units	333	284
Income tax payable	42	33
Total Current Liabilities	3,306	3,559
Noncurrent Liabilities		
Interest-bearing loans and borrowings - net of current portion	2,463	2,588
Noncurrent portion of installment payable	2,371	2,371
Deferred tax liabilities - net	70	69
Deposits and other liabilities	86	251
Total Noncurrent Liabilities	4,989	5,279
Equity		
Capital stock	6,229	6,256
Unrealized gain on available-for-sale investments	20	13
Retained earnings	3,040	2,879
Total Equity	9,289	9,148
	₱17,585	₱17,986

See accompanying Notes to Financial Statements.

ROCKWELL LAND CORPORATION**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(Amounts in Millions)

	Jan 1 to Mar 31, 2012	Jan 1 to Mar 31, 2011
	Unaudited	Unaudited
REVENUE		
Sale of condominium units	₱ 766	₱ 454
Lease income	171	158
Interest income	129	105
Cinema and other mall revenue	45	41
Others	37	30
	1,148	788
EXPENSES (INCOME)		
Cost of real estate	652	366
General and administrative expenses	195	135
Selling expenses	47	46
Interest expense	47	39
Foreign exchange loss (gain) - net	(1)	0
Share in net losses (income) of joint venture	(20)	(18)
	920	569
INCOME BEFORE INCOME TAX	227	219
PROVISION FOR INCOME TAX	62	60
NET INCOME	165	159
OTHER COMPREHENSIVE INCOME (LOSS)	7	(28)
TOTAL COMPREHENSIVE INCOME	₱ 172	₱ 131

See accompanying Notes to Financial Statements.

ROCKWELL LAND CORPORATION**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Amounts in Millions)

	Capital Stock	Unrealized Gain(Loss) on Available for Sale Investments	Retained Earnings	Total
At December 31, 2011	₱6,256	₱13	₱2,879	₱9,148
Redemption of preferred shares	(27)			(27)
Payment of cumulative dividends on preferred shares			(4)	(4)
Net Income	--	--	165	165
Other Comprehensive Income (Loss)	--	7	--	7
Total comprehensive income for the year	--	7	161	141
At March 31, 2012	₱6,229	₱20	₱3,040	₱9,289
At December 31, 2010	₱6,256	₱27	₱1,964	₱8,247
Net Income	--	--	159	159
Other Comprehensive Income (Loss)	--	(28)	--	(28)
Total comprehensive income for the year	--	(28)	159	131
At March 31, 2011	₱6,256	(₱1)	₱2,123	₱8,378

ROCKWELL LAND CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
(Amounts in Millions)

	January 1 to March 31	
	2012 Unaudited	2011 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱ 227	₱ 219
Adjustments for:		
Interest income	(6)	(3)
Depreciation and amortization	110	53
Interest expense	46	31
Share in net losses (income) of joint venture	(20)	(18)
Pension costs	7	4
Amortization and write-off of loan transaction costs	1	7
Unrealized foreign exchange gain – net	(0.2)	(0.4)
Mark-to-market loss (gain) from derivative instruments	–	(0.2)
Operating income before working capital changes	365	293
Decrease (increase) in:		
Trade and other receivables	318	711
Land and development costs	60	(110)
Advances to contractors	(234)	57
Other current assets	(99)	(185)
Condominium units for sale	9	–
Increase (decrease) in:		
Trade and other payables	(199)	(347)
Deposits from pre-selling of condominium units	49	301
Net cash generated from operations	270	720
Income taxes paid	(62)	(60)
Interest paid	(48)	(39)
Net cash provided by operating activities	160	621
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment	(12)	(16)
Investment properties	(0.6)	(0.5)
Interest received	6	3
Net cash used in investing activities	(7)	(14)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of bank loans	(239)	(589)
Redemption of Preferred Shares	(28)	
Dividends paid	(4)	
Increase (decrease) in deposits and other liabilities	(165)	(53)
Net cash used in financing activities	(435)	(642)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	0.2	0.6
NET DECREASE IN CASH AND CASH EQUIVALENTS		
	(282)	(34)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
	448	324
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱ 166	₱ 290

See accompanying Notes to Financial Statements

ROCKWELL LAND CORPORATION

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Rockwell Land Corporation (the Parent Company) is incorporated in the Philippines and is engaged in real estate development and sale or lease of residential and commercial units and lots. The registered office and principal place of business of the Parent Company is Rockwell Information Center, Rockwell Drive cor. Estrella St. Makati City.

Rockwell Integrated Property Services, Inc. (RIPSI), a wholly owned subsidiary of the Parent Company, is incorporated in the Philippines to establish, own, manage, operate and carry on the business of maintaining and cleaning buildings and other facilities.

The Parent Company is owned by Manila Electric Company (Meralco) (51%) and First Philippine Holdings Corporation (FPHC) (49%). On February 27, 2012, the Board of Directors (BOD) of Meralco approved the declaration of its 51% ownership in the Parent Company as a property dividend in favor of common stockholders of record as of March 23, 2012, except for foreign common shareholders who will be paid the cash equivalent of the property dividend. Consequently, the Parent Company became a public company having more than 200 shareholders.

On February 28, 2012, the BOD of the Parent Company approved the Parent Company's plan to list by way of introduction. The Securities and Exchange Commission approved the registration of the Parent Company last May 3, 2012 and was listed in the Philippine Stock Exchange on May 11, 2012.

2. Summary of Significant Accounting and Financial Reporting Policies

Basis of Preparation

The accompanying financial statements of the Company have been prepared on a historical cost basis, except for available-for-sale investments and derivative instruments that have been measured at fair value. The financial statements are presented in Philippine peso, which is the Company's functional and presentation currency under Philippine Financial Reporting Standards (PFRS), and all values are rounded to the nearest peso, except when otherwise indicated.

Statement of Compliance

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the Philippines as set forth in PFRS. PFRS includes statements named PFRS and Philippine Accounting Standards (PAS), including Interpretations issued by the Financial Reporting Standards Council (FRSC).

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year.

3. Receivables / Payables

(Amounts in Millions)

Aging of Receivables as of March 31, 2012:

	Neither Past Due or Impaired	Past Due but not Impaired				Total
		Less than 30 Days	31 to 60 Days	61 to 90 Days	More than 90 Days	
Sale of Condominium Units	₱1,853	₱21	₱11	₱24	₱197	₱2,106
Lease	43	1	-	-	-	44
Sale of Club Shares		-	-	-	3	3
Advances to officer and employees	10	-	-	-	-	10
Others	113	-	-	-	-	113
Total Receivable	₱2,019	₱22	₱11	₱24	₱200	₱2,276

Aging of Payables as of March 31, 2012:

	Due within 3 months	Due Between 3 to 12 months	Due after 12 months	Total
Trade and Other Payables	₱300	₱1,292	-	₱1,592
Retention Payable (Current Portion)	275	80	-	355
Security Deposit (Current Portion)	83	84	-	167
Total Payable	₱658	₱1,456	-	₱2,114

4. Short-Term and Long-Term Debt

(Amounts in Millions)

	March 31, 2012 (Unaudited)			
	Current		Non-current	
	Within 6 Months	6 to 12 Months	1 to 5 Years	Later 5 Years
Working Capital Loans				
Corporate Notes	-	114	2,254	113
Other Term Loans	25	26	96	-
Total	₱25	₱140	₱2,350	₱113

	December 31, 2011 (Audited)			
	Current		Non-current	
	Within 6 Months	6 to 12 Months	1 to 5 Years	Later 5 Years
Working Capital Loans	₱100			
Corporate Notes	-	-	1,799	680
Other Term Loans	68	110	109	-
Total	₱168	₱110	₱1,908	₱680

Issuances, Repurchases and Repayments of Debt and Equity Securities

Issuances of Debt and Equity Securities / New Financing through Loans

January – March 2012

None

Repayment of Debt and Equity Securities

January – March 2012

<u>Nature</u>	<u>Amount</u>
Repayment of long-term loan	₱ 12
Prepayment of loan	127
Payment of matured bridge loan	<u>100</u>
Total	₱ 240

5. Trade and Other Payables

(Amounts in Millions)

The accounts and other payables as of March 31, 2012 is broken down as follows:

Trade	₱ 155
Accrued project cost	700
Accrued taxes	92
Accrued expense	189
Accrued interest	43
Accrued producer's share	7
Excess collection over recognized receivable	343
Current portion of:	
Retention payable	355
Security deposits	167
Deferred lease income	<u>63</u>
Total	₱ 2,114

6. Segment Information

PFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision maker.

For management purposes, the Company's operating segments is determined to be business segments as the risks and rates of return are affected predominantly by differences in the products and services produced. The 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 serves different markets.

The Company manages its operations under the following business segments:

- *Residential Development* is engaged in the development, selling, and property management of all residential projects of the Company.
- *Commercial Leasing* is engaged in the leasing and other related operations in the course of the management of commercial buildings or spaces used for retail and office leasing, including cinema operations. Commercial buildings in its portfolio include the Power Plant Mall in Makati City and Rockwell Business Center in Ortigas, Pasig. Other retail spaces are found at several of the high-rise condominiums developed by the Company.

Management monitors the operating results of each business unit separately for the purpose of making decisions about resource allocation and performance assessment. Performance is evaluated based on net income for the year and earnings before interest, taxes and depreciation and amortization, or *EBITDA*. Net income for the year is measured consistent with consolidated net income in the consolidated financial statements. *EBITDA* is measured as net income excluding depreciation and amortization, interest expense and provision for income tax.

The Company centrally manages cash and its financing requirements, income taxes and resource allocation. Resource allocation are measured against profitability among potential investments and made in view of the Company's existing business portfolio.

Business Segments

The following tables present revenue, and costs and expenses information regarding the Company's residential development and commercial leasing business segments in 2012 and 2011:

January 1 to March 31, 2012

(Amounts in Millions)

	Real Estate Development	Commercial Leasing	Total
Revenue	₱ 916	₱ 231	₱ 1,148
Costs and expenses	(713)	(72)	(785)
Share in net income of joint venture	--	20	20
Other income - net	1	--	1
EBITDA	205	179	384
Depreciation and amortization			(109)
Interest expense			(48)
Provision for income tax			(62)
Consolidated Net Income	₱ 205	₱ 179	₱ 165

January 1 to March 31, 2011 (Amounts in Millions)	Real Estate Development	Commercial Leasing	Total
Revenue	₱ 571	₱ 217	₱ 788
Costs and expenses	(427)	(69)	(496)
Share in net income of joint venture	--	18	18
Other income - net	0.1	--	0.1
EBITDA	144	167	311
Depreciation and amortization			(52)
Interest expense			(39)
Provision for income tax			(60)
Consolidated Net Income	₱ 144	₱ 167	₱ 159

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

Results of Operations:

For the quarter ended 31 March 2012 and 2011

Rockwell Land Corporation's ("the Company") consolidated revenues for the period reached Php1.1 billion, up by 46% compared to Php787.9 million resulting from strong sales and higher construction completion of the Company's residential development projects, The Grove and Edades. About 80% of the consolidated revenues amounting to Php916.4 million came from sale of condominium units, including accretion of interest income.

Total EBITDA for the first quarter of this year amounted to Php384.3 million, which is 24% higher than Php310.7 million recorded in the same period last year. This year's growth was driven by Residential Development. EBITDA margin registered at 33% of total revenues for the first quarter of 2012, which is lower compared to last year's 39% due to increased cost of real estate resulting from higher construction completion of Towers A&B of The Grove whose margins are slightly lower compared to projects sold in Makati City. Contributions to total EBITDA from residential development and commercial leasing are currently at 53% and 47%, respectively.

Resulting net income after tax amounts to Php165.3 million, up by 4% than last year's Php159.3 million. The Company accelerated the depreciation of Block 9, where the Rockwell Information Center and retail stores were previously located, to make way for the office development called the Lopez Tower and Museum. Without this accelerated depreciation amounting to Php55.2 million, resulting net income and year-on-year growth would have been Php202.7 million and 27% respectively. The Company will write off the remaining book value of Block 9 in April 2012 amounting to Php18.4 million. The margin of net income after tax to total revenues is at 14% of total revenues vs. 2011's 20%.

Business Segments

Residential Development contributed bulk of the total revenues for the first three months of 2012. Total revenues reported from the sale of condominium units, including accretion from interest income, amount to Php894.3 million, which accounts for 78% of the total revenues of the Company. The total segment revenue amount to Php916.4 million, up by 61% from last year's Php570.6 million. This growth was primarily attributable to higher sales and percentage of completion of The Grove and the start of recognition of revenues from Edades in April 2011, despite the significant drop in revenue from One Rockwell's completion in November 2011.

Sales take up for the first quarter declined slightly to Php1.6 billion from 2011's P1.8 billion resulting from having fewer inventories of higher-valued units by the start of the year. Only 5% of Edades' total unit inventory remains open for sale by end of 2011. The Company expects to have significant growth in sales take up with the two new projects for launch this year, the 205 Santolan in Quezon City and The Proscenium (previously disclosed as "Greater Rockwell") in Makati City.

EBITDA from this segment amounted to Php205.2 million and contributed 53% to the total EBITDA of Php384.3 million. EBITDA grew by 43% from the same period last year amounting to Php143.6 million due mainly from higher construction accomplishment from The Grove and Edades.

Commercial Leasing revenues amount to Php231.3 million for the first quarter of 2012, which is 6% higher than 2011's Php217.3 million. This segment contributed 20% to total revenues. This excludes the share in the joint venture (RBC) as this is reported as "Share in Net Income (Losses) in JV" under Other Income (Expenses) and not consolidated line by line in the consolidated financial statements.

The details of the performances per source of revenue stream in this segment are explained as follows:

- Retail Operations generated revenues amounting to Php186.1 million for the first three months of 2012 and accounts for 16% of total revenues compared to last year's Php176.1 million. Retail operations include retail leasing, interest income and other mall revenues. About 89% of retail operations come from retail leasing amounting to Php166.2 million. Retail leasing grew by 7% due to rental escalation and replacement of old retail stores. Same stores growth was at 11% in 2012.
- Cinema Operations generated revenues amounting to Php45.1 million for the first three months and accounts for 4% of the total revenues. This grew by 9% from last year's P 41.2 million due to higher ticket sales.
- Office Leasing, operated under the Rockwell-Meralco BPO Venture, generated first quarter gross revenues of Php70.6 million, which is 19% higher than 2011's Php59.1 million due to higher occupancy of the buildings. At its 80% share, the Company generated revenues of Php56.5 million and share in net income of Php19.9 million. To reiterate, only the Php19.9 million share in net income of RBC is reflected in the Company's consolidated statements of comprehensive income as "Share in Net Income (Losses) in JV".

The segment's EBITDA for the first quarter of 2012 amounted to Php179.1 million accounting for 47% of the total EBITDA and grew by 7% from the same period last year. Margin to total segment revenues was kept at 77%, same as last year's ratio. The total revenues used as basis for the EBITDA margin excludes gross revenues from the office leasing or RBC operations as the latter is reported separately under "Share in Net Income (Losses) in JV". Share in net income in the joint venture contributes 5% to the Company's total EBITDA amounting to Php384.3 million.

Costs and Expenses

Cost of real estate and selling amounts to Php 698.7 million for the first quarter of 2012. The percentage to total revenues is at 61%, up from 2011's 52% ratio. This increase was due to the recognition of revenues and costs pertaining to Edades which only started in April 2011, and the higher construction completion of Towers A&B of The Grove.

General and administrative expenses (G&A) amounted to Php195.2 million for the first quarter of 2012, an increase of 44% from the same period last year. The increases were due to the accelerated depreciation of Block 9's Information Center, bank charges and higher payroll-related expenses for the period.

Interest Expense amounted to Php47.6 million for the first quarter of 2012, which is 22% higher than last year's Php38.9 million. The increase was mainly due to additional Php1.0 billion debt secured to partially fund land acquisition. The average interest of the Company's consolidated debt increased to 7.3%, up from last year's 6.7%. The increase in average interest rate was due to prepayment of the old Php 1.5 billion 8.8% per annum corporate notes with a bridge loan drawn in February 2011 having a lower rate per annum of 5.3%, which was kept until the Company drew on its longer-term fixed note in April 2011.

Share in Net Income (Losses) in JV realized share in net income of RBC amounting to Php19.9 million from 2011's income of Php18.4 million. The increase was mainly due to higher occupancy of 97% vs. last year's 85%. However, operating expenses increased due to a non-recurring operating expense. The share in net income is reported net of taxes and represents the Company's share in the operations generated by RBC.

Project and capital expenditures

The Company spent a total of Php1.2 billion, net of VAT, for project and capital expenditures for the first three months of 2012, which is 167% higher than last year's Php460.8 million. The expenditures consist mostly of development costs of The Grove. Capital expenditures include down payment on the recently acquired lots in Quezon City and San Juan intended for additional townhouse developments.

Financial Condition

The Company's total assets as of March 31, 2012 amounted to Php17.6 billion, a decrease by Php401.4 million from 2011's yearend amount of Php18.0 billion. Total trade receivables decreased from last year due to collection of final payment for the One Rockwell's West Tower, which started to turnover units in September 2011.

Total Liabilities as of March 31, 2012 amounted to Php8.3 billion, lower than 2011's Php8.8 billion. The Company was able to prepay bridge loans amounting to Php127 million during the first quarter of 2012, while it met its obligation to contractors on the completion of the superstructure works of One Rockwell's West Tower.

Current ratio as of March 31, 2012 is healthy at 2.90x from 2.79x as of December 31, 2011. Likewise, net debt to equity ratio stood at 0.27x as of March 31, 2012 from 0.26x last December 31, 2011.

Other Matters

On January 31, 2012, the Company fully redeemed all the Php27.5 million issued preferred shares at par value, including payment of cumulative dividends amounting to Php4.1 million. On February 28, 2012 the Company's Board of Directors authorized the reissuance of these preferred shares at a later date. On April 10, 2012 the Company issued to First Philippine Holdings Corporation 2.75 billion preferred shares at par value of Php0.01 per share amounting to Php27.5 million.

On February 27, 2012 Meralco declared a property dividend of 3.2 billion shares representing 51% share in Rockwell Land Corporation to its stockholders as of record date March 23, 2012. Through this property dividend, the Company qualified for Listing by Way of Introduction (LBI). Subsequently, the Company submitted its application for registration with Securities Exchange Commission ("SEC") on March 23, 2012 and application for listing to the Philippine Stock Exchange ("PSE") on March 28, 2012. The Company was issued SEC's registration of securities on May 03, 2012 and was listed in the PSE on May 11, 2012. Initial listing price is at Php1.46 per share.

On May 11, 2012, the Company acquired from MERALCO the common share entitlements of the foreign shareholders of MERALCO. The buy-back of 126,620,146 common shares at Php1.4637 per share will reduce the number of common shares outstanding of the Company to 6,101,762,198 shares. Said shares will form part of the Company's treasury shares.

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

Statement of Comprehensive Income Items – 1Q 2012 vs. 1Q 2011

69% increase in Sale of Condominium Units

Mainly arising from higher sales booking and construction completion of The Grove and Edades. Recognition from Edades only started in April 2011.

8% increase in Lease Income

Mainly due to rental escalation and replacement of old stores in the Power Plant Mall, Same stores growth was at 11%.

23% increase in Interest Income

Mainly due to higher interest income accretion arising from The Grove Towers C to F. Interest accretion from The Grove Towers E&F only started in August 2011

10% increase in Cinema and Other Mall Revenue

Mainly due to Cinema's higher occupancy.

54% increase in Other Revenue

Primarily due to increase in carpark income, commissions from residential leasing, and interest income.

78% increase in Cost of Real Estate

Mainly due to higher booking of sales and construction completion of both The Grove and Edades. Significant increases were recorded for Edades as the project only started to recognize related costs in April 2011.

44% increase in General and Administrative Expenses

Mainly due to accelerated depreciation of Block 9's Rockwell Information Center, increase in bank charges and manpower related costs.

21% increase in Interest Expense

Primarily due to the Php1.0 billion additional loans availed in April 2011 to partially fund land acquisitions made starting June 2011.

8% increase in Share in Net Income of Joint Venture

Occupancy reached 97% by the quarter ended March 31, 2012, up from same period last year's 85%, reduced however by a non-recurring operating expense

1,402% increase in Foreign Exchange Gain

Resulted from the Company's effort to maintain minimal dollar positions through sale of cash arising from substantial collection from One Rockwell's West Tower completion in November 2011.

Statement of Financial Position items – March 31, 2012 vs. December 31, 2011

63% decrease in Cash and Cash Equivalents

Primarily due to payment of advances to contractors and loans payable, including prepayment of short term loans.

12% decrease in Trade and Other Receivable

Mainly due to substantial collection from One Rockwell project offset by additional receivables recognized from The Grove.

28% increase in Advances to Contractors

Primarily due to advances for the ongoing construction of Grove Towers C to F.

16% decrease in Condominium Units for Sale

Due to sale of One Rockwell units.

25% increase in Other Current Assets

Mainly due to prepaid sales and marketing expenses of The Grove Towers C to F and full year payment of real estate taxes.

10% decrease in Property and Equipment

Due to the accelerated depreciation of the Company's Information Center located at the Block 9. Block 9 will be demolished to make way for the Lopez Tower and Museum.

17% decrease in Pension Asset

Mainly due to higher provision of retirement benefits expense. No additional contribution was made on the pension fund since 2010 as this was still overfunded.

9% decrease in Trade and Other payables

Mainly due to decrease in Deferred Output Vat Payable because of substantial collections from One Rockwell and the decrease in the Excess Collection Over Recognized Receivable from Edades.