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# SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines  
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

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Company Information

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SEC Registration No. 0000062893  
Company Name ROCKWELL LAND CORPORATION DOING BUSINESS UNDER-  
THE NAME AND STYLE OF POWERPLANT MALL; POWERPLANT C  
Industry Classification  
Company Type Stock Corporation

### Document Information

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Document Type 17-Q (FORM 11-Q: QUARTERLY REPORT/FS)  
Document Code 17-Q  
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Department CFD  
Remarks Amendment



October 3, 2012

**Ms. Janet Encarnacion**  
*Head – Disclosure Department*  
**Philippine Stock Exchange**  
 Makati City

Dear Ms. Encarnacion,

We are submitting herewith the company's Amended SEC Form 17Q for the period ended June 30, 2012 to address the findings of the Securities and Exchange Commission (SEC) in their letter dated September 13, 2012, which we received on September 28, 2012. The changes cover the following:

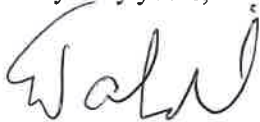
Summary of Comments	Company's Response
<b>PART I – FINANCIAL INFORMATION</b>	
<b>Notes to Interim Financial Statements:</b>	
<b>FINANCIAL RISK DISCLOSURE</b>	
1. The significant judgments made in classifying a particular financial instrument in the fair value hierarchy;	In Note 7 of the amended June 30, 2012 17Q we already included discussion related to the financial instruments in their fair value hierarchy.
2. A comparison of the fair values as of date of the recent interim financial report and as of date of the preceding interim period, and the amount of gain/loss recognized for each of the said periods.	The comparison of the fair values as of date of the recent interim financial report and as of date of the preceding interim period, and the amount of gain/loss recognized for each of the said periods was already included in Note 7 of the amended June 30, 2012 17Q
<b>SEC MEMORANDUM CIRCULAR NO. 3, SERIES OF 2012</b>	
<b><i>Disclosure if the company will not early adopt PFRS 9</i></b>	
Disclosure on whether or not the company conducted an evaluation on the possible financial impact of the adoption of PFRS 9. The reason for not conducting an impact	In Note 8 of the amended June 30, 2012 17Q we further and

study shall be indicated in the interim report.	more specifically incorporated a statement on the evaluation of possible impact and of early adoption of PFRS 9
Disclosure if the company conducted an impact evaluation, the interim financial statements shall contain a disclosure on whether or not it will early adopt PFRS 9 in its annual financial reporting for the current year.	
<b><i>Disclosure if the company will early adopt PFRS 9</i></b>	
Disclosure if the company early adopts PFRS 9, the interim financial statements shall include a discussion on the qualitative and quantitative results of the company's impact evaluation.	
<b>ADDITIONAL REQUIREMENTS (SRC Rule 68, as amended October 2011)</b>	
A schedule showing financial soundness indicators in two comparative periods as follows: 1) current/liquidity ratios; 2) solvency ratios, debt-to-equity ratio; 3) asset-to-equity ratio; 4) interest rate coverage ratio; 5) profitability ratio and 6) other relevant ratio as the Commission may prescribe.	In the Key Performance Indicators (KPI) section of the June 30, 2012 17Q, we duly presented ratios relevant, applicable and meaningful to our company.  Nevertheless, in the Amended June 30, 2012 17Q we presented additional ratios that are being required.

We filed the attached amended report with the SEC today.

We trust that you will find the foregoing in order.

Very truly yours,



**ELLEN ALMODIEL**  
Vice President – Finance



# ROCKWELL LAND

October 3, 2012

**Mrs. Justina F. Callangan**

*Acting Director*

**Corporation Finance Department**

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills

Mandaluyong City, Metro Manila

Dear Mrs. Callangan:

Re: Required Amended 2012 2<sup>nd</sup> Quarter  
Report (SEC Form 17-Q)

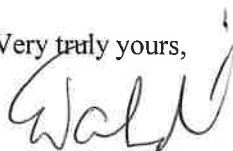
We refer to your letter dated September 13, 2012 addressed to the Vice President, Ms. Ellen Almodiel, ("Letter") which we received on September 28, 2012. We are submitting herewith the Amended SEC Form 17-Q for the period ended June 30, 2012, to address certain disclosures under SRC Rule 17.1 (1)(A)ii and 68.1, as amended, which your Letter required. The summary of comments and our company's response are provided below, to wit:

Summary of Comments	Company's Response
<b>PART I – FINANCIAL INFORMATION</b>	
<b>Notes to Interim Financial Statements:</b>	
<b>FINANCIAL RISK DISCLOSURE</b>	
1. The significant judgments made in classifying a particular financial instrument in the fair value hierarchy;	In Note 7 of the amended June 30, 2012 17Q we already included discussion related to the financial instruments in their fair value hierarchy.
2. A comparison of the fair values as of date of the recent interim financial report and as of date of the preceding interim period, and the amount of gain/loss recognized for each of the said periods.	The comparison of the fair values as of date of the recent interim financial report and as of date of the preceding interim period, and the amount of gain/loss recognized for each of the said periods was already included in Note 7 of the amended June

	30, 2012 17Q
<b>SEC MEMORANDUM CIRCULAR NO. 3, SERIES OF 2012</b>	
<b><i>Disclosure if the company will not early adopt PFRS 9</i></b>	In Note 8 of the amended June 30, 2012 17Q we further and more specifically incorporated a statement on the evaluation of possible impact and of early adoption of PFRS 9
Disclosure on whether or not the company conducted an evaluation on the possible financial impact of the adoption of PFRS 9. The reason for not conducting an impact study shall be indicated in the interim report.	
Disclosure if the company conducted an impact evaluation, the interim financial statements shall contain a disclosure on whether or not it will early adopt PFRS 9 in its annual financial reporting for the current year.	
<b><i>Disclosure if the company will early adopt PFRS 9</i></b>	
Disclosure if the company early adopts PFRS 9, the interim financial statements shall include a discussion on the qualitative and quantitative results of the company's impact evaluation.	
<b>ADDITIONAL REQUIREMENTS (SRC Rule 68, as amended October 2011)</b>	
A schedule showing financial soundness indicators in two comparative periods as follows: 1) current/liquidity ratios; 2) solvency ratios, debt-to-equity ratio; 3) asset-to-equity ratio; 4) interest rate coverage ratio; 5) profitability ratio and 6) other relevant ratio as the Commission may prescribe.	In the Key Performance Indicators (KPI) section of the June 30, 2012 17Q, we duly presented ratios relevant, applicable and meaningful to our company.  Nevertheless, in the Amended June 30, 2012 17Q we presented additional ratios that are being required.

We trust that you will find the foregoing in order.

Very truly yours,



**ELLEN ALMODIEL**  
Vice President - Finance

# COVER SHEET

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SEC Registration Number

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

(Company's Full Name)

R	O	C	K	W	E	L	L	I	N	F	O	R	M	A	T	I	O	N	C	E	N	T	E	R					
R	O	C	K	W	E	L	L	C	E	N	T	E	R	M	A	K	A	T	I	C	I	T	Y						

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

<b>Ms. Ellen V. Almodiel</b>
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(Contact Person)

<b>793-0088</b>
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(Company Telephone Number)

06	30
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Month Day  
(Fiscal Year)

17 - QA
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(Form Type)

08	03
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Month Day  
(Annual Meeting)

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(Secondary License Type, If Applicable)

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Dept. Requiring this Doc.

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Amended Articles Number/Section

<b>48,151</b>
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Total No. of Stockholders

Total Amount of Borrowings	
<b>₱4,103.1 million</b>	-
Domestic	Foreign

To be accomplished by SEC Personnel concerned

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**SEC Number:**  
**File Number:**

**ROCKWELL LAND CORPORATION**

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(Company's Full Name)

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

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(Company's Address)

**(632) 793-0088**

---

(Telephone Number)

**June 30, 2012**

---

(Quarter Ending)

**SEC Form 17-Q "A" Quarterly Report**

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(Form Type)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q "A"

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

1. For the quarterly period ended June 30, 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>
<b>Common shares</b>	<b>6,101,762,198</b>

<u>Amount of Debt Outstanding</u>
<b>PhP4,103,115,130</b>

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

Stock Exchange:	<u>Philippine Stock Exchange</u>
Securities Listed:	<u>Common shares</u>

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



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## PART I – FINANCIAL INFORMATION

### Item 1. Financial Statements

#### ROCKWELL LAND CORPORATION

#### CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Millions)

	June 30, 2012	December 31, 2011
	Unaudited	Audited
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	₱ 313	₱ 448
Trade and other receivables - net	2,710	2,551
Land and development costs - net	6,060	5,585
Advances to contractors	1,062	823
Condominium units for sale	43	64
Other current assets	601	447
Total Current Assets	10,788	9,917
<b>Noncurrent Assets</b>		
Noncurrent trade receivables	41	44
Investment properties - net	4,623	4,731
Investment in joint venture	2,151	2,103
Available-for-sale investments	265	262
Property and equipment - net	390	444
Pension asset	22	33
Other noncurrent asset	378	451
Total Noncurrent Assets	7,869	8,069
	₱18,657	₱17,986
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade and other payables	₱ 2,044	₱ 2,313
Current portion of interest-bearing loans and borrowings	416	278
Current portion of installment payable	800	652
Deposits from pre-selling of condominium units	398	284
Income tax payable	15	33
Total Current Liabilities	3,673	3,559
<b>Noncurrent Liabilities</b>		
Interest-bearing loans and borrowings - net of current portion	3,687	2,588
Noncurrent portion of installment payable	1,541	2,371
Deferred tax liabilities - net	116	69
Deposits and other liabilities	240	251
Total Noncurrent Liabilities	5,584	5,279
<b>Equity</b>		
Capital stock	6,256	6,256
Treasury stock	(185)	-
Unrealized gain on available-for-sale investments	26	13
Retained earnings	3,303	2,879
Total Equity	9,400	9,148
	₱18,657	₱17,986

See accompanying Notes to Financial Statements.

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

(Amounts in Millions)

	<u>2012 Unaudited</u>		<u>2011 Unaudited</u>	
	<u>April 1 to June 30</u>	<u>January 1 to June 30</u>	<u>April 1 to June 30</u>	<u>January 1 to June 30</u>
<b>REVENUE</b>				
Sale of condominium units	₱ 971	₱ 1,737	₱ 1,355	₱ 1,810
Lease income	167	333	160	315
Interest income	142	271	144	249
Cinema and other mall revenue	51	96	57	99
Others	47	89	34	66
	1,378	2,525	1,751	2,539
<b>EXPENSES (INCOME)</b>				
Cost of real estate	737	1,388	1,154	1,521
General and administrative expenses	184	380	166	301
Selling expenses	50	97	86	132
Interest expense	70	118	45	84
Foreign exchange loss (gain) - net	(.06)	(1)	(3)	(3)
Share in net losses (income) of joint venture	(28)	(48)	(18)	(37)
	1,013	1,933	1,430	1,998
<b>INCOME BEFORE INCOME TAX</b>	365	592	321	541
<b>PROVISION FOR INCOME TAX</b>	91	153	86	146
<b>NET INCOME</b>	274	440	235	394
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>	7	14	14	(14)
<b>TOTAL COMPREHENSIVE INCOME</b>	₱ 281	₱ 453	₱ 249	₱ 380
<i>See accompanying Notes to Financial Statements.</i>				
<b>EPS</b>	0.04	0.07	0.04	0.06

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

(Amounts in Millions)

	Capital Stock	Treasury Stock	Unrealized Gain(Loss) on Available for Sale Investments	Retained Earnings	Total
<b>At December 31, 2011</b>	<b>₱6,256</b>	-	<b>₱13</b>	<b>₱2,879</b>	<b>₱9,148</b>
Purchase of treasury shares		(185)			(185)
Change in RIPS I equity				(12)	(12)
Payment of cumulative dividends on preferred shares				(4)	(4)
Net Income	--		--	440	440
Other Comprehensive Income (Loss)	--		14	--	14
Total comprehensive income for the year		(185)	14	424	253
<b>At June 30, 2012</b>	<b>₱6,256</b>	<b>(185)</b>	<b>₱26</b>	<b>₱3,303</b>	<b>₱9,400</b>
<b>At December 31, 2010</b>	<b>₱6,256</b>	-	<b>₱27</b>	<b>₱1,964</b>	<b>₱8,247</b>
Net Income	--		--	394	394
Other Comprehensive Income (Loss)	--		(14)	--	(14)
Total comprehensive income for the year	--		(14)	394	380
<b>At June 30, 2011</b>	<b>₱6,256</b>	-	<b>₱13</b>	<b>₱2,358</b>	<b>₱8,628</b>

**ROCKWELL LAND CORPORATION****CONSOLIDATED STATEMENT OF CASH FLOWS**

(Amounts in Millions)

	January 1 to June 30	
	2012 Unaudited	2011 Unaudited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	₱ 592	₱ 541
Adjustments for:		
Interest income	(17)	(12)
Depreciation and amortization	165	106
Interest expense	114	76
Share in net losses (income) of joint venture	(48)	(37)
Pension costs	13	8
Amortization and write-off of loan transaction costs	4	8
Unrealized foreign exchange gain – net		(4)
Operating income before working capital changes	823	686
Decrease (increase) in:		
Trade and other receivables	(156)	871
Land and development costs	(476)	(66)
Advances to contractors	(239)	(87)
Other current assets	(60)	(600)
Condominium units for sale	20	2
Increase (decrease) in:		
Trade and other payables	(992)	256
Deposits from pre-selling of condominium units	114	(658)
Net cash generated from operations	(964)	404
Income taxes paid	(153)	(146)
Interest paid	(118)	(84)
Net cash provided by operating activities	(1,234)	173
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of:		
Property and equipment	(23)	(15)
Investment properties	22	(1)
Interest received	17	12
Net cash used in investing activities	16	(5)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from availment of bank loans	1,488	2,633
Payment of bank loans	(252)	(2,555)
Purchase of treasury shares	(185)	
Dividends paid	(4)	
Increase (decrease) in deposits and other liabilities	36	(105)
Net cash provided in financing activities	1,083	(27)
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	(0.1)	4
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(135)	145
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	448	324
<b>CASH AND CASH EQUIVALENTS AT END JUNE 30</b>	₱ 313	₱ 469

*See accompanying Notes to Financial Statements*

## **ROCKWELL LAND CORPORATION**

### **NOTES TO FINANCIAL STATEMENTS**

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#### **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 1200 Rockwell Information Center, Rockwell Center 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. The Parent Company was issued SEC's registration of securities on May 03, 2012 and was listed in the PSE on May 11, 2012. Consequently, the Parent Company became a public company having more than 200 shareholders.

On May 11, 2012, the Parent Company acquired 126,620,146 shares from MERALCO, representing the foreign shareholders' entitlement from the property dividend distribution, at Php1.4637 per share.

#### **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 June 30, 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	₱2,478	₱8	₱1	₱1	₱76	2,565
Lease	67	1	1	-	-	69
Sale of Club Shares	14	-	-	-	4	18
Advances to officer and employees	14	-	-	-	-	14
Others	85	-	-	-	-	85
<b>Total Receivable</b>	<b>₱2,658</b>	<b>₱9</b>	<b>₱3</b>	<b>₱1</b>	<b>₱80</b>	<b>₱2,751</b>

Aging of Payables as of June 30, 2012:

	Due within 3 months	Due Between 3 to 12 months	Due after 12 months	Total
Trade and Other Payables	₱258	₱1,400	-	₱1,658
Retention Payable (Current Portion)	31	179	-	210
Security Deposit (Current Portion)	96	80	-	176
<b>Total Payable</b>	<b>₱385</b>	<b>₱1,659</b>	<b>-</b>	<b>₱2,044</b>

### 4. Trade and Other Payables

(Amounts in Millions)

The accounts and other payables as of June 30, 2012 is broken down as follows:

Trade	₱ 139
Accrued project costs	676
Accrued taxes	209
Deferred Output Vat	262
Accrued expenses	138
Accrued interest	63
Due to related party	17
Accrued marketing and promotions	9
Accrued producer's share	9
Excess collection over recognized receivable	72
Current portion of:	
Retention payable	210
Security deposits	176
Deferred lease income	64
<b>Total</b>	<b>₱ 2,044</b>

## 5. Short-Term and Long-Term Debt

(Amounts in Millions)

	June 30, 2012 (Unaudited)				Total
	Current		Non-current		
	Within 6 Months	6 to 12 Months	1 to 5 Years	Later 5 Years	
Corporate Notes	-	364	2,909	695	3,968
Other Term Loans	25	27	83	-	135
<b>Total</b>	<b>₱25</b>	<b>₱391</b>	<b>₱2,992</b>	<b>₱695</b>	<b>4,103</b>

	December 31, 2011 (Audited)				Total
	Current		Non-current		
	Within 6 Months	6 to 12 Months	1 to 5 Years	Later 5 Years	
Working Capital Loans	100				100
Corporate Notes	-	-	1,799	680	2,479
Other Term Loans	68	110	109	-	287
<b>Total</b>	<b>₱168</b>	<b>₱110</b>	<b>₱1,908</b>	<b>₱680</b>	<b>₱2,866</b>

Issuances, Repurchases and Repayments of Debt and Equity Securities

### Issuances of Debt and Equity Securities / New Financing through Loans

January – June 2012

	<u>Amount</u>
Availment of the 2 <sup>nd</sup> tranche corporate notes	₱ 1.5 billion

### Repayment of Debt and Equity Securities

January – June 2012

<u>Nature</u>	<u>Amount</u>
Repayment of long-term loan	₱ 25
Prepayment of loan	127
Payment of matured bridge loan	<u>100</u>
<b>Total</b>	<b>₱ <u>252</u></b>

## 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 June 30, 2012**

(Amounts in Millions)

	<b>Residential Development</b>	<b>Commercial Leasing</b>	<b>Total</b>
<b>Revenue</b>	<b>₱ 2,057</b>	<b>₱ 468</b>	<b>₱ 2,525</b>
Costs and expenses	(1,577)	(122)	(1,700)
Share in net income of joint venture	--	48	48
Other income - net	1	--	1
<b>EBITDA</b>	<b>481</b>	<b>394</b>	<b>875</b>
Depreciation and amortization			(165)
Interest expense			(118)
Provision for income tax			(153)
<b>Consolidated Net Income</b>			<b>₱ 440</b>

#### **January 1 to June 30, 2011**

(Amounts in Millions)

	<b>Residential Development</b>	<b>Commercial Leasing</b>	<b>Total</b>
<b>Revenue</b>	<b>₱ 2,083</b>	<b>₱ 456</b>	<b>₱ 2,539</b>
Costs and expenses	(1,724)	(124)	(1,848)
Share in net income of joint venture	--	37	37
Other income - net	3	--	3
<b>EBITDA</b>	<b>362</b>	<b>369</b>	<b>731</b>
Depreciation and amortization			(106)
Interest expense			(84)
Provision for income tax			(146)
<b>Consolidated Net Income</b>			<b>₱ 394</b>

## 7. Financial Instruments

### Fair Values

Set out below is a comparison by class of carrying values and fair values of all the Company's financial instruments that are carried in the consolidated financial statements as of June 30, 2012 and December 31, 2011. There are no material unrecognized financial assets and liabilities as of June 30, 2012 and December 31, 2011.

	Carrying Value		Fair Value	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
<b>Financial Assets</b>				
Assets at FVPL -				
Derivative assets	₱ -	₱ -	₱ -	₱ -
Loans and receivables:				
Cash and cash equivalents	313	448	313	448
Trade receivables from:				
Sale of condominium units (including noncurrent portion)	2,565	2,423	6,117	6,188
Lease	69	92	69	92
Sale of club shares	17	3	17	3
Advances to officers and employees	14	9	14	9
Other receivables*	82	65	82	65
Refundable deposits**	17	17	17	17
Available-for-sale investments:				
Quoted	261	259	261	259
Unquoted	3	3	3	3
	<b>₱3,343</b>	<b>₱3,320</b>	<b>₱6,894</b>	<b>₱7,085</b>

\*Carrying amounts exclude other receivables, which are nonfinancial assets, amounting to P3 as of June 30, 2012 and December 31, 2011, respectively.

	Carrying Value		Fair Value	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
<b>Financial Liabilities</b>				
Liabilities at FVPL -				
Derivative liabilities	₱ -	₱ -	₱ -	₱ -
Other Financial Liabilities:				
Trade and other payables*	1,205	1,283	1,205	1,283
Interest-bearing loans and borrowings (including noncurrent portion)	4,103	2,867	4,460	3,098
Installment payable	2,341	3,022	2,516	3,228
Retention payable (including noncurrent portion)	362	322	323	310
Security deposits (including noncurrent portion)	221	219	214	213
	<b>₱ 8,232</b>	<b>₱7,712</b>	<b>₱ 8,718</b>	<b>₱8,132</b>

\*Carrying amounts exclude statutory payables and other nonfinancial liabilities, totaling to P389 and P644 as of June 30, 2012 and December 31, 2011, respectively.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

*Cash and Cash Equivalents, Trade Receivables from Lease and Sale of Club Shares, Advances to Officers and Employees, Other Receivables, Refundable Deposits and Trade and Other Payables.* Due to the short-term nature of transactions, the carrying values of these instruments approximate the fair values as of financial reporting date.

*Trade receivables from Sale of Condominium Units.* The fair values of trade receivables from sale of condominium units were calculated by discounting the expected future cash flows at prevailing credit adjusted PDEX interest rates ranging from 2.5% to 5.9% as of June 30, 2012, 3.7% to 7.3% as of December 31, 2011.

*Available-for-Sale Investments.* The fair values of quoted equity securities were determined by reference to market bid quotes as of financial reporting date. The unquoted equity securities were valued at cost.

#### *Interest-bearing Loans and Borrowings*

- Fixed Rate

The fair values of fixed rate loans were calculated by discounting the expected future cash flows at prevailing credit adjusted PDEX interest rates ranging from 2.5% to 5.2% as of June 30, 2012, 3.7% to 7.2% as of December 31, 2011.

- Floating Rate

The fair values of floating rate loans approximate the carrying values as of financial reporting date due to the monthly and quarterly repricing of interest rates.

#### *Installment Payable*

The fair value of installment payable were calculated by discounting the expected cash flows at prevailing credit PDEX interest rates ranging from 2.5% to 5.9% as of June 30, 2012 and 3.7% to 7.4% as of December 31, 2011.

#### *Retention Payable and Security Deposits*

The fair values were calculated by discounting the expected future cash flows at prevailing credit adjusted PDEX interest rates ranging from 2.5% to 5.9% as of June 30, 2012, 4.0% to 6.8% as of December 31, 2011.

#### Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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.