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## SECURITIES AND EXCHANGE COMMISSION

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

**ROCKWELL LAND CORPORATION**

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(Company's Full Name)

**The Garage at Rockwell Center  
Estrella St. Makati City, 1200**

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(Company's Address)

**(632) 793-0088**

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(Telephone Number)

**September 30, 2013**

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(Quarter Ending)

**SEC Form 17-Q Quarterly Report**

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(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**

- For the quarterly period ended **September 30, 2013**
- Commission Identification Number **62893**
- BIR Tax Identification Number **004-710-062-000**
- Exact name of issuer as specified in its charter: **ROCKWELL LAND CORPORATION**
- Province, country or other jurisdiction of incorporation or organization: **Philippines**
- Industry Classification Code: \_\_\_\_\_ (SEC Use Only)
- Address of issuer's principal office and postal code:  
**The Garage at Rockwell Center, Estrella St. Makati City 1200**
- Issuer's telephone number, including area code: **(632) 793-0088**
- Former name, former address, former fiscal year, if changes since last report:  
**Rockwell Information Center, Rockwell Center, Makati City 1200**
- 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>6,116,762,198</b>

Amount of Debt Outstanding  
**PhP9,905,400,003**

- Are any or all of the securities listed on a Stock Exchange?  
Yes [] No [  ]

Stock Exchange: **Philippine Stock Exchange**  
Securities Listed: **Common shares**

- 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

	<b>Page No.</b>
<b>PART I – FINANCIAL INFORMATION</b>	
Item 1. Financial Statements	
• Consolidated Statement of Financial Position as of September 30, 2013 and December 31, 2012	4
• Consolidated Statement of Income for the Three and Nine Months Ended September 30, 2013 and September 30, 2012	5
• Consolidated Statement of Changes in Equity for the Nine Months Ended September 30, 2013 and September 30, 2012	6
• Consolidated Cash Flow Statement of Cash Flow for Nine Months Ended September 30, 2013 and September 30, 2012	7
• Notes to Consolidated Financial Statements	8
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operation	22
<b>PART II – OTHER INFORMATION</b>	
Item 3. Other Notes and Disclosures	27
<b>SIGNATURE</b>	38

## PART I – FINANCIAL INFORMATION

### Item 1. Financial Statements

#### ROCKWELL LAND CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Millions)

	September 30, 2013	December 31, 2012
	Unaudited	Audited
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	₱ 4,634	₱ 533
Trade and other receivables - net	4,711	3,477
Land and development costs - net	7,095	6,752
Advances to contractors	1,596	1,055
Condominium units for sale	39	32
Other current assets	913	516
Total Current Assets	18,988	12,366
<b>Noncurrent Assets</b>		
Noncurrent trade receivables	57	45
Investment properties - net	4,857	4,954
Investment in joint venture	2,264	2,189
Property and equipment - net	1,559	775
Other noncurrent asset	305	393
Total Noncurrent Assets	9,042	8,356
<b>Total Assets</b>	<b>₱28,029</b>	<b>₱20,722</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade and other payables	₱ 3,658	₱ 3,244
Current portion of interest-bearing loans and borrowings	--	405
Current portion of installment payable	677	647
Deposits from preselling of condominium units	1,090	3
Income tax payable	27	25
Total Current Liabilities	5,452	4,324
<b>Noncurrent Liabilities</b>		
Interest-bearing loans and borrowings - net of current portion	9,905	4,027
Noncurrent portion of installment payable	1,143	1,855
Deferred tax liabilities - net	269	181
Pension Liability	22	14
Deposits and other liabilities	322	200
Total Noncurrent Liabilities	11,661	6,277
<b>Equity</b>		
Capital stock	6,271	6,256
Capital in excess of par value	23	--
Share Based Payment	57	--
Unrealized gain (loss) on available-for-sale investments	5	5
Other equity adjustments	288	287
Retained earnings	4,389	3,692
	11,033	10,239
Treasury stock	(185)	(185)
Total Equity	10,848	10,054
Attributable to Non-Controlling Interest	68	67
<b>Total Liabilities &amp; Equity</b>	<b>₱28,029</b>	<b>₱20,722</b>

See accompanying Notes to Financial Statements

# ROCKWELL LAND CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Millions)

	<u>2013 Unaudited</u>		<u>2012 Unaudited</u>	
	<u>July 1 to Sept. 30</u>	<u>Jan. 1 to Sept. 30</u>	<u>July 1 to Sept. 30</u>	<u>Jan. 1 to Sept. 30</u>
<b>REVENUE</b>				
Sale of condominium units	₱ 1,563	₱ 3,807	₱ 936	₱ 2,672
Lease income	179	536	171	504
Interest income	289	679	195	466
Cinema revenue	52	167	55	152
Others	57	189	61	201
	2,141	5,378	1,417	3,994
<b>EXPENSES (INCOME)</b>				
Cost of real estate	1,192	2,923	747	2,136
General and administrative expenses	267	757	210	638
Selling expenses	88	250	75	171
Interest expense	103	237	62	179
Foreign exchange loss (gain) - net	(2)	(3)	(1)	(2)
Share in net losses (income) of joint venture	(25)	(76)	(30)	(78)
	1,624	4,090	1,063	3,044
<b>INCOME BEFORE INCOME TAX</b>	517	1,288	355	950
<b>PROVISION FOR INCOME TAX</b>	148	365	91	244
<b>NET INCOME</b>	368	923	264	706
<b>OTHER COMPREHENSIVE INCOME</b>	(1)	1	(3)	1
<b>TOTAL COMPREHENSIVE INCOME</b>	₱ 367	₱ 925	₱ 261	₱ 707
<b>Net Income Attributable to:</b>				
Equity holders of Rockwell Land Corporation	₱ 368.5	₱ 923.4	₱ 264.0	₱ 705.6
Non-controlling Interests	(0.1)	0.1	(0.2)	0.4
<b>TOTAL</b>	₱ 368.4	₱ 923.4	₱ 263.8	₱ 705.9
<b>Total Comprehensive Income Attributable to:</b>				
Equity holders of Rockwell Land Corporation	₱ 367.5	₱ 924.8	₱ 261.3	₱ 706.9
Non-controlling Interests	(0.1)	0.1	(0.2)	0.4
<b>TOTAL</b>	₱ 367.4	₱ 924.9	₱ 261.1	₱ 707.3
<b>Basic/Diluted Earnings per Share (Note 8)</b>	0.06	0.15	0.04	0.11

See accompanying Notes to Financial Statements.

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

(Amounts in Millions)

	Equity Attributable to Equity Holders of the Parent Company							Equity Attributable to Non- Controlling Interests	Total Equity	
	Capital Stock	Capital in Excess of Par Value	Unrealized Gain on Available- for-Sale Investments	Other Equity Adjustments	Share-based Payments Plan	Retained Earnings	Treasury Shares			Total
At December 31, 2012 (Audited)	<b>₱6,256</b>	<b>₱--</b>	<b>₱5</b>	<b>₱287</b>	<b>--</b>	<b>₱3,692</b>	<b>(₱185)</b>	<b>₱10,054</b>	<b>₱67</b>	<b>₱10,121</b>
Net income	--	--	--	--	--	923	--	923	0.1	923
Other comprehensive income (loss)	--	--	1	--	--	--	--	1	--	1
Total comprehensive income for the year	--	--	1	--	--	923	--	925	0.1	925
Cash Dividends	--	--	--	--	--	(225)	--	(225)	--	(225)
Share-based payments	--	--	--	--	72	--	--	72	--	72
Employee stock options exercised	15	23	--	--	(16)	--	--	22	--	22
Sale to non-controlling interests	--	--	--	1	--	--	--	1	0.6	2
At September 30, 2013 (Unaudited)	<b>₱6,271</b>	<b>₱23</b>	<b>₱5</b>	<b>₱288</b>	<b>₱57</b>	<b>₱4,389</b>	<b>(₱185)</b>	<b>₱10,848</b>	<b>₱68</b>	<b>₱10,916</b>
At December 31, 2011 (Audited)	₱6,256	--	₱0.6	₱284	--	₱2,540	₱--	₱9,081	₱66	₱9,147
Acquisition of treasury shares	--	--	--	--	--	--	(185)	(185)	--	(185)
Change in RIPS equity	--	--	--	--	--	(12)	--	(12)	--	(12)
Net income	--	--	--	--	--	706	--	706	0.4	706
Other comprehensive income	--	--	1	--	--	--	--	1	--	1
Total comprehensive income for the year	--	--	1	--	--	706	--	707	0.4	707
Cash dividends	--	--	--	1	--	(4)	--	(3)	--	(3)
At September 30, 2012 (Unaudited)	<b>₱6,256</b>	<b>--</b>	<b>₱2</b>	<b>₱285</b>	<b>--</b>	<b>₱3,231</b>	<b>(₱185)</b>	<b>₱9,589</b>	<b>₱67</b>	<b>₱9,656</b>

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

(Amounts in Millions)

	<b>January 1 to September 30</b>	
	<b>2013 Unaudited</b>	<b>2012 Unaudited</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	₱ 1,288	₱ 950
Adjustments for:		
Interest income	(680)	(467)
Depreciation and amortization	199	238
Interest expense	237	179
Share Based Payment	73	--
Share in net losses (income) of joint venture	(76)	(78)
Pension costs	20	20
Operating income before working capital changes	1,061	842
Decrease (increase) in:		
Trade and other receivables	(558)	272
Land and development costs	(466)	(450)
Advances to contractors	(540)	(315)
Restricted Cash & Other current assets	(393)	(277)
Condominium units for sale	(7)	8
Increase (decrease) in:		
Trade and other payables	369	(688)
Deposits from pre-selling of condominium units	1,087	492
Net cash generated from operations	552	(116)
Income taxes paid	(275)	(184)
Interest paid	(225)	(241)
Net cash provided by operating activities	52	(540)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of:		
Property and equipment	(307)	(63)
Investment properties	(455)	(175)
Interest received	33	23
Net cash used in investing activities	(729)	(215)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from availment of bank loans	9,911	1,685
Payments of		
Bank loans	(4,459)	(265)
Installment Payable	(596)	(686)
Purchase of Treasury Shares	--	(185)
Dividends paid	(225)	(4)
Increase in deposits and other liabilities	122	37
Proceeds from exercise of ESOP	22	--
Proceeds from sale to non-controlling interests	2	2
Net cash provided in financing activities	4,778	583
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		
	1	--
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	4,101	(172)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	533	473
<b>CASH AND CASH EQUIVALENTS AT END SEPTEMBER 30</b>	₱ 4,634	₱ 300

*See accompanying Notes to Financial Statements*

# **ROCKWELL LAND CORPORATION AND SUBSIDIARIES**

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## **NOTES TO FINANCIAL STATEMENTS**

### **1. Corporate Information**

Rockwell Land Corporation (“Rockwell Land” or “The Company”) is incorporated in the Philippines and is primarily engaged in the residential development of high-rise condominiums as well as in retail and office leasing. The registered office and principal place of business is at The Garage at Rockwell Center, Estrella St. Makati City.

As of January 1, 2012, Rockwell Land was owned by Manila Electric Company (Meralco) (51%) and First Philippine Holdings Corporation (FPH) (49%). On February 27, 2012, the Board of Directors (BOD) of Meralco approved the declaration of its 51% ownership in the 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 Company became a public company having more than 200 shareholders. The property dividend was paid on May 11, 2012 wherein FPH received property dividends from Meralco in the form of 125,079,016 common shares of the Company. On the same date, the Company acquired 126,620,146 common shares from Meralco, representing the foreign shareholders’ entitlement from the property dividend distribution, at ₱1.4637 per share. The Company was listed in the Philippine Stock Exchange (PSE) on May 11, 2012.

On June 28, 2012 and July 27, 2012, FPH purchased additional shares of the Company from Beacon Electric Asset Holdings, Inc. and San Miguel Corporation, respectively. As of December 31, 2012, FPH owns 86.8% of the Company

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

Primaries Development Corporation (“PDC”, formerly Rockwell Homes Inc.) a wholly owned subsidiary of the Company, was incorporated last September 2012 to primarily cater to the broader market under a 2<sup>nd</sup> brand “Primaries”. The subsidiary envisions itself to be the preferred developer in terms of providing exceptional and quality living at a more affordable price.

Stonewell Development Corporation Inc., a wholly owned subsidiary of the Company, was incorporated on September 2012 to develop socialized housing for the Parent Company.

Primaries Properties Sales Specialist Inc., a wholly owned subsidiary of the Company, was incorporated on November 2012 primarily to act as the sales and marketing arm of Primaries.

The Company also has ownership in Rockwell Leisure Club Inc. (RLCI), owning 1,491 ordinary shares and 770 proprietary shares. RLCI is a non-profit premier leisure club created to complement Rockwell Land’s exclusive lifestyle concept. Opened in December 1999, RLCI offers its resident members and proprietary shareholders a first-class social, sports and recreational facility within the Rockwell Center.

Rockwell Hotels & Leisure Management Corp., a wholly owned subsidiary of the Company, was incorporated on June 2013 to manage and engage in the general business of hotel, resort, club, recreational center, apartment and other allied businesses.

## 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 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).

### Basis of Consolidation

The consolidated financial statements comprise of the financial statements of Rockwell Land and the following subsidiaries (collectively referred to as the "Company") that it controls.

<u>Subsidiaries</u>	<u>Nature of Business</u>
Rockwell Integrated Property Services, Inc.	Service provider for property management
Primaries Development Corporation	Real estate development
Stonewell Property Development Corporation	Real estate development
Primaries Properties Sales Specialists Inc.	Marketing
Rockwell Leisure Club Inc	Hotel & Leisure
Rockwell Hotels & Leisure Management Corp	Service Provider for leisure management

All subsidiaries are wholly-owned and incorporated in the Philippines, except for RLCI of which the Company has 69% ownership.

The subsidiaries are consolidated from date of acquisition, being the date on which the Parent Company obtains control, and continues to be consolidated until the date that such control ceases.

Effective January 1, 2013, RLCI is now consolidated to the Company in compliance with PFRS 10 standard on consolidation of financial statements.

The financial statements of the subsidiaries are prepared for the same reporting year as the Company using consistent accounting policies. All significant intercompany balances, transactions, income and expenses and profits and losses from intercompany transactions are eliminated in full in the consolidation.

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## 3. Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year. In addition, the Company adopted the following new and amended standards effective for annual periods beginning on or after January 1, 2013.

- PFRS 2, *Share-based Payment*

Employees (including directors) of the Parent Company receive remuneration in the form of sharebased payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

*Equity-settled Transactions.* The cost of equity-settled transactions with employees is measured by reference to the fair value of the stock options at the date the option is granted. The fair value is determined using Binomial Pricing Model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than the conditions linked to the price of the shares of the Parent Company (“market conditions”), if applicable.

The cost of equity-settled transactions is recognized, together with a corresponding increase in “Share-based payments plans” account in equity, over the period in which the performance and/or service conditions are fulfilled.

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Parent Company’s best estimate of the number of equity instruments that will ultimately vest at that date. The current income or expense charges against “Share-based payment expense” account in the unaudited interim condensed consolidated statement of income is recognized in “Personnel expenses” account under “General and administrative expenses” account.

No expense is recognized for awards that do not ultimately vest.

When the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

When an equity-settled award is cancelled with payment, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

- PFRS 7, *Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities* (Amendments) (effective for annual periods beginning on or after January 1, 2013)

These amendments require an entity to disclose information about rights of set-off and related arrangements (such as collateral agreements). The new disclosures are required for all recognized financial instruments that are set-off in accordance with PAS 32. These disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set-off in accordance with PAS 32. The amendments require entities to disclose, in a tabular format unless another format is more appropriate, the following minimum quantitative information. This is presented separately for financial assets and financial liabilities recognized at the end of the reporting period:

- a) The gross amounts of those recognized financial assets and recognized financial liabilities;
- b) The amounts that are set-off in accordance with the criteria in PAS 32 when determining the net

- amounts presented in the statement of financial position;
- c) The net amounts presented in the statement of financial position;
- d) The amounts subject to an enforceable master netting arrangement or similar agreement that are not otherwise included in (b) above, including:
  - i. Amounts related to recognized financial instruments that do not meet some or all of the offsetting criteria in PAS 32; and
  - ii. Amounts related to financial collateral (including cash collateral); and
- e) The net amount after deducting the amounts in (d) from the amounts in (c) above.

- PFRS 10, *Consolidated Financial Statements* (effective for annual periods beginning on or after January 1, 2013)

PFRS 10 replaces the portion of PAS 27, *Consolidated and Separate Financial Statements*, that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC 12, *Consolidation - Special Purpose Entities*. PFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by PFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in PAS 27. The application of this revised standard will impact the financial position of the Company because of the revised definition of control. As a result of the reassessment based on the new definition of control and explicit guidance on PFRS 10, the Company will retrospectively consolidate Rockwell Leisure Club, Inc. (RLCI) effective January 1, 2013.

- PFRS 11, *Joint Arrangements* (effective for annual periods beginning on or after January 1, 2013)

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 (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The Company assessed the Joint Venture (JV) agreement with Meralco for the unincorporated JV as a joint venture. No change in accounting policies since the Company uses the equity method in accounting for its investment in joint venture.

- PFRS 12, *Disclosure of Interests in Other Entities* (effective for annual periods beginning on or after January 1, 2013)

PFRS 12 includes all of the disclosures that were previously in PAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in PAS 31 and PAS 28, *Investments in Associates*. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required.

- PFRS 13, *Fair Value Measurement* (effective for annual periods beginning on or after January 1, 2013)

PFRS 13 establishes a single source of guidance under PFRS for all fair value measurements. PFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under PFRS when fair value is required or permitted.

- PAS 1, *Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income or OCI* (Amendments) (effective for annual periods beginning on or after July 1, 2012)

The amendments to PAS 1 change the grouping of items presented in OCI. Items that can be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) will be presented separately from items that will never be recycled. The amendments affect presentation only and have no impact on the Company's financial position or performance. The amendments will be applied retrospectively and will result to the modification of the presentation of items of OCI.

- PAS 19, *Employee Benefits (Revised)* (effective for annual periods beginning on or after January 1, 2013)

Amendments to PAS 19 range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and rewording. The revised standard also requires new disclosures such as, among others, a sensitivity analysis for each significant actuarial assumption, information on asset-liability matching strategies, duration of the defined benefit obligation, and disaggregation of plan assets by nature and risk. Once effective, the Company has to apply the amendments retroactively to the earliest period presented.

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

	As at December 31, 2012	As at January 1, 2012
<u>Increase (decrease) in:</u>		
<u>Consolidated statements of financial position</u>		
Pension liability	(₱0.1)	₱10.9
Deferred tax liability	1.4	–
Other comprehensive income (loss)	2.4	(39.2)
Retained earnings	3.6	(39.2)
	<u>For the Year Ended December 31, 2012</u>	
<u>Consolidated statements of comprehensive income</u>		
Net pension costs		₱0.1
Income tax expense		1.4
Net income		1.3

- PAS 27, *Separate Financial Statements* (as revised in 2011) (effective for annual periods beginning on or after January 1, 2013)

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.

- PAS 28, *Investments in Associates and Joint Ventures* (as revised in 2011) (effective for annual periods beginning on or after January 1, 2013)

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 Company assessed the JV agreement with Meralco, an unincorporated JV, as a joint venture. No change in accounting policies since the Company uses the equity method in accounting for its investment in joint venture.

- Philippine Interpretation IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine* (effective for annual periods beginning on or after January 1, 2013)

This interpretation applies to waste removal costs (“stripping costs”) that are incurred in surface mining activity during the production phase of the mine (“production stripping costs”). If the benefit from the stripping activity will be realized in the current period, an entity is required to account for the stripping activity costs as part of the cost of inventory. When the benefit is the improved access to ore, the entity should recognize these costs as a non-current asset, only if certain criteria are met (“stripping activity

asset”). The stripping activity asset is accounted for as an addition to, or as an enhancement of, an existing asset. After initial recognition, the stripping activity asset is carried at its cost or revalued amount less depreciation or amortization and less impairment losses, in the same way as the existing asset of which it is a part.

#### *Improvements to PFRS (Issued 2010)*

Improvements to PFRSs, an omnibus of amendments to standards, deal primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Company.

- *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 financial statements. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional comparative period does not need to contain a complete set of financial statements. On the other hand, supporting notes for the third balance sheet (mandatory when there is a retrospective application of an accounting policy, or retrospective restatement or reclassification of items in the financial statements) are not required. The amendments affect disclosures only and have no impact on the Company’s financial position or performance.
- *PAS 16, Property, Plant and Equipment - Classification of Servicing Equipment:* The amendment clarifies that spare parts, stand-by equipment and servicing equipment should be recognized as property, plant and equipment when they meet the definition of property, plant and equipment and should be recognized as inventory if otherwise.

Other amendments resulting from the 2010 improvements to PFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Company:

- *PFRS 1, First-time Adoption of PFRS - Borrowing Costs*
- *PAS 32, Financial Instruments: Presentation - Tax Effect of Distribution to Holders of Equity Instruments*
- *PAS 34, Interim Financial Reporting - Interim Financial Reporting and Segment Information for Total Assets and Liabilities*

#### *Effective Subsequent to 2013*

- *PAS 32, Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities (Amendments)* (effective for annual periods beginning on or after January 1, 2014, with retrospective application)

These amendments to PAS 32 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. While the amendment is expected not to have any impact on the net assets of the Company, any changes in offsetting is expected to impact leverage ratios and regulatory capital requirements. The Company is currently assessing impact of the amendments to PAS 32.

- PFRS 9, *Financial Instruments: Classification and Measurement* (effective for annual periods beginning on or after January 1, 2015)

PFRS 9, as issued, reflects the first phase on the replacement of PAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in PAS 39, *Financial Instruments: Recognition and Measurement*. Work on impairment of financial instruments and hedge accounting is still ongoing, with a view to replacing PAS 39 in its entirety. PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at fair value through profit or loss. All equity financial assets are measured at fair value either through OCI or profit or loss. Equity financial assets held for trading must be measured at fair value through profit or loss. For FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward into PFRS 9, including the embedded derivative separation rules and the criteria for using the FVO. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will potentially have no impact on classification and measurements of financial liabilities. The Company will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive assessment of the impact of the 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 Philippine Securities and Exchange Commission (SEC) and the FRSC have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed. Adoption of this interpretation will result to a change in the revenue and cost recognition of the Company on sale of condominium units and accounting for certain pre-selling costs.

The Company continues to assess the impact of the above new, amended and improved accounting standards and interpretations effective subsequent to December 31, 2012. Additional disclosures required by these amendments will be included in the consolidated financial statements when these are adopted.

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#### 4. Receivables / Payables

(Amounts in Millions)

Aging of Receivables as of September 30, 2013:

	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	₱ 4,429	₱45	₱3	₱2	₱89	₱4,567
Lease	80	4	-	-	-	84
Advances to officers and employees	19	-	-	-	-	19
Others	98	-	-	-	-	98
<b>Total Receivable</b>	<b>₱4,626</b>	<b>₱49</b>	<b>₱3</b>	<b>₱2</b>	<b>₱89</b>	<b>₱4,768</b>

Aging of Payables as of September 30, 2013:

	Due within 3 months	Due Between 3 to 12 months	Due after 12 months	Total
Trade and Other Payables	₱332	₱2,820	-	₱3,152
Retention Payable (Current Portion)	111	124	-	235
Security Deposit (Current Portion)	108	93	-	201
Deferred Lease Income (Current Portion)	42	28	-	70
<b>Total Payable</b>	<b>₱593</b>	<b>₱3,065</b>	<b>-</b>	<b>₱3,658</b>

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#### 5. Trade and Other Payables

(Amounts in Millions)

The accounts and other payables as of September 30, 2013 is broken down as follows:

Accrued project costs	₱ 1,834
Deferred Output VAT	391
Accrued expenses	298
Accrued Taxes	263
Related Parties Advances	120
Trade	111
Accrued interest	98
Excess of collections over recognized receivables	24
Accrued producers' share	9
Accrued marketing promotions	4
Current portion of:	
Retention Payable	235
Security deposits	201
Deferred lease income	70
<b>Total</b>	<b>₱ 3,658</b>

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

(Amounts in Millions)

	September 30, 2013 (Unaudited)				Total
	Within 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Corporate Notes	₱-	₱1,537	₱1,589	₱6,779	₱9,905
<b>Total</b>	<b>₱-</b>	<b>₱1,537</b>	<b>₱1,589</b>	<b>₱6,779</b>	<b>₱9,905</b>

	December 31, 2012 (Audited)				Total
	Within 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Working Capital Loans	405	54	-	-	459
Corporate Notes	-	182	727	3,064	3,973
Other Term Loans	-	-	-	-	-
<b>Total</b>	<b>₱405</b>	<b>₱236</b>	<b>₱727</b>	<b>₱3,064</b>	<b>₱4,432</b>

Issuances, Repurchases and Repayments of Debt and Equity Securities

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

January – September 30, 2013

	<u>Amount</u>
Availment of the 1 <sup>st</sup> tranche corporate notes	₱ 4,000 million
Availment of the 2 <sup>nd</sup> tranche corporate notes	₱ 2,000 million
Availment of the 3 <sup>rd</sup> tranche corporate notes	₱ 4,000 million

### Repayment of Debt and Equity Securities January – September 2013

<u>Nature</u>	<u>Amount</u>
Corporate notes	₱ 4,000
Prepayment of loan	109
Payment of matured bridge loan	350
<b>Total</b>	<b><u>₱4,459</u></b>

## 7. Segment Information

(Amounts in Millions)

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 for the nine months ended September 30, 2013 and 2012:

	September 30, 2013 (Unaudited)		
	Residential Development	Commercial Leasing	Total
<b>Revenue</b>	<b>₱ 4,612</b>	<b>₱ 766</b>	<b>₱ 5,378</b>
Costs and expenses	(3,529)	(203)	(3,732)
Share in net income of joint venture	--	75	75
Other income - net	3	--	3
<b>EBITDA</b>	<b>1,086</b>	<b>638</b>	<b>1,724</b>
Depreciation and amortization			(198)
Interest expense			(237)
Provision for income tax			(365)
<b>Consolidated Net Income</b>			<b>₱ 923</b>

**September 30, 2012 (Unaudited)**

	<b>Residential Development</b>	<b>Commercial Leasing</b>	<b>Total</b>
<b>Revenue</b>	<b>₱ 3,277</b>	<b>₱ 716</b>	<b>₱ 3,994</b>
Costs and expenses	(2,524)	(187)	(2,711)
Share in net income of joint venture	--	78	78
Other income - net	2	--	2
<b>EBITDA</b>	<b>756</b>	<b>607</b>	<b>1,362</b>
Depreciation and amortization			(234)
Interest expense			(179)
Provision for income tax			(244)
<b>Consolidated Net Income</b>			<b>₱ 706</b>

The following tables present assets and liabilities information regarding the Company's residential development and commercial leasing business segments as of September 30, 2013 and December 31, 2012:

**September 30, 2013 (Unaudited)**

	<b>Residential Development</b>	<b>Commercial Leasing</b>	<b>Total</b>
<b>Assets and liabilities:</b>			
Segment Assets	₱ 18,821	₱ 528	₱ 19,349
Investment Properties	1,492	3,365	4,857
Investment in Joint Venture	--	2,264	2,264
Property & equipment	1,419	140	1,559
<b>Total assets</b>	<b>₱ 21,732</b>	<b>₱ 6,297</b>	<b>₱ 28,029</b>
Segment liabilities	₱ 16,691	₱ 423	₱ 17,114

**December 31, 2012 (Audited)**

	<b>Residential Development</b>	<b>Commercial Leasing</b>	<b>Total</b>
<b>Assets and liabilities:</b>			
Segment Assets	₱ 11,475	₱ 1,329	₱ 12,804
Investment Properties	1,491	3,463	4,954
Investment in Joint Venture	--	2,189	2,189
Property & equipment	605	171	775
<b>Total assets</b>	<b>₱ 13,571</b>	<b>₱ 7,151</b>	<b>₱ 20,722</b>
Segment liabilities	₱ 9,789	₱ 812	₱ 10,601

## 8. Earnings per Share Attributable to Equity Holders of the Parent Company

(Amounts in millions, except for number of common shares)

	September 30, 2013	September 30, 2012
Net income attributable to equity holders of the Parent Company	₱923	₱706
Dividends on preferred shares	(1)	(1)
Net income attributable to common shares (a)	922	705
Common shares at beginning of year	6,101,762,198	6,228,382,344
Weighted average of 126,620,146 treasury shares acquired on May 11, 2012	–	(49,260,440)
Weighted average common shares – basic (b)	6,101,762,198	6,179,121,904
Dilutive potential common shares under the ESOP	20,748,584	–
Weighted average common shares – diluted (c)	6,122,510,782	6,179,121,904
Per share amounts:		
Basic (a/b)	₱0.15	₱0.11
Diluted (a/c)	0.15	0.11

## 9. Financial Instruments

### Fair Values

Set out below is a comparison by class of the carrying values and fair values of all the Company's financial instruments that are carried in the consolidated financial statements as of September 30, 2013 and December 31, 2012. There are no material unrecognized financial assets and liabilities as of September 30, 2013 and December 31, 2012

	Carrying Value		Fair Value	
	Sept. 30, 2013	Dec. 31, 2012	Sept. 30, 2013	Dec. 31, 2012
<b>Financial Assets</b>				
(Amounts in Millions)				
Assets at FVPL -				
Loans and receivables:				
Cash and cash equivalents	₱ 4,634	₱ 533	₱ 4,634	₱ 533
Trade receivables from:				
Sale of condominium units (including noncurrent portion)	4,567	3,321	10,709	7,542
Lease	84	106	84	106
Advances to officers and employees	19	12	19	12
Other receivables *	92	79	92	79
Refundable deposits**	28	25	28	25
Available-for-sale investments:				
Quoted	14	12	14	12
Unquoted	3	3	3	3
Restricted Cash ***	24	3	24	3
	₱ 9,464	₱ 4,095	₱ 15,607	₱ 8,316

\*Carrying amounts exclude other receivables, which are nonfinancial assets, amounting to P6.0 million and P3.8 million as of September 30, 2013 and December 31, 2012, respectively.

\*\* Carrying amounts exclude other deposits, which are nonfinancial assets, amounting to P0.1 million as of September 30, 2013 and December 31, 2012.

\*\*\*Presented as part of "Other Current Assets".

	Carrying Value		Fair Value	
	Sept. 30, 2013	Dec. 31, 2012	Sept. 30, 2013	Dec. 31, 2012
<b>Financial Liabilities</b> (Amounts in Millions)				
Liabilities at FVPL -				
Derivative liabilities	₱ -	₱ -	₱ -	₱ -
Other Financial Liabilities:				
Trade and other payables*	2,739	2,349	2,739	2,349
Interest-bearing loans and borrowings (including noncurrent portion)	9,905	4,432	10,417	4,588
Installment payable	1,820	2,502	2,035	2,737
Retention payable (including noncurrent portion)	475	343	443	333
Security deposits (including noncurrent portion)	239	242	202	248
	₱ 15,178	₱ 9,869	₱ 15,835	₱ 10,255

\*Carrying amounts exclude statutory payables and other nonfinancial liabilities, totaling P482.4 million and P422.3 million as of September 30, 2013 and December 31, 2012, 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 1.0% to 4.5% as of September 30, 2013 and 1.8% to 4.9% as of December 31, 2012.

*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 1.0% to 4.4% as of September 30, 2013 and 1.9% to 6.9% as of December 31, 2012.

- 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 1.2% to 4.5% as of September 30, 2013 and 1.6% to 4.9% as of December 31, 2012.

### *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 2.6% to 4.5% as of September 30, 2013 and 2.0% to 7.9% as of December 31, 2012.

### 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.

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## **10. Significant Financial Ratios**

The significant financial ratios are as follows:

<i>As indicated</i>	<b>For the 1<sup>st</sup> nine months ended September 30</b>	
	<b>2013</b>	<b>2012</b>
ROA (*)	5.1%	5.1%
ROE (*)	11.7%	10.0%
	<b>September 30, 2013</b>	<b>As of December 31, 2012</b>
Current ratio (x)	3.48	2.86
Debt to equity ratio (x)	0.91	0.44
Net debt to equity Ratio (x)	0.48	0.39
Asset to equity ratio (x)	2.57	2.05
Interest coverage ratio (x)	7.66	7.11

Notes:

(1) ROA [*Net Income/Average Total Assets*]

(2) ROE [*Net Income/ Average Total Equity*]

(3) Current ratio [*Current assets/Current liabilities*]

(4) Debt to equity ratio [*Total interest bearing debt / Total Equity*]

(5) Net debt to equity ratio [*(Total Interest bearing debt)-(Cash and cash equivalents) / Total Equity*]

(6) Asset to equity ratio [*Total Assets/Total Equity*]

(7) Interest coverage ratio [*EBITDA/Interest Payments*]

\* ROA and ROE are annualized figures

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

### RESULTS OF OPERATIONS:

#### For the 1<sup>st</sup> nine months ended 30 September 2013 and 2012

Rockwell Land Corporation ("the Company") registered Php5,378.0 million in consolidated revenues, up by 35% from last year's Php3,993.7 million. 83% of the revenues came from the sale of condominium units, including accretion of interest income.

Total EBITDA reached Php1,724.0 million, 27% higher than last year's Php1,362.4 million primarily driven by a 44% growth in contribution of Residential Development. Overall EBITDA margin registered at 32% of total revenues, which is slightly lower compared to last year's 34%. Residential development and commercial leasing contributed 63% and 37% to the total EBITDA, respectively.

Net income after tax registered at Php923.4 million, up by 31% from last year's Php705.9 million. NIAT margin is at 17%, slightly lower compared to last year's 18%.

Starting January 1, 2013, RLCI is now consolidated to the Parent Company in compliance with PFRS 10 standard on consolidation of financial statements. With this, Php923.4 million of Net Income is attributable to the Company, while the Php 0.1 million pertains to the share of the non-controlling interest in Rockwell Leisure Club.

### Business Segments

**Residential Development** generated Php4,611.7 million, contributing 86% of the total revenues for the period. Bulk of the revenues came from the sale of condominium units, including accretion from interest income.

Sales take up for the first nine months of 2013 increased by 88% to Php10,927 million due to the launch of Proscenium and Alvendia last November 2012 and July 2013, respectively, as well as launch of its first midrise development project called 53 Benitez (under the Company's 2<sup>nd</sup> brand, "Primaries") last July 2013.

EBITDA from this segment amounted to Php1,085.7 million, 44% higher than the same period last year at Php755.6 million due mainly from 205 Santolan and The Grove Phases 2 & 3 which started recognizing revenue based on completion last June 2012 for 205 Santolan, November 2012 for The Grove Phase 2 and December 2012 for The Grove Phase 3.

**Commercial Leasing** revenues amount to Php766.3 million, 7% higher than 2012's Php716.3 million. This segment contributed 14% of total revenues excluding the share in the joint venture (RBC). The share in the joint venture is reported as "Share in Net Losses (Income) in JV" under Other Income (Expenses).

- Retail Operations generated revenues of Php596.3 million, accounting for 11% of total revenues. Retail operations include retail leasing, interest income and other mall revenues. About 90% of retail operations came from retail leasing amounting to Php535.9 million. Retail leasing grew by 6% due to rental escalation and replacement of old retail stores.
- Cinema Operations generated revenues of Php170.0 million accounting for 3% of total revenues. Cinema operations include Cinema ticket and snackbar sales, advertisement, interest income and other cinema revenues. It increased by 10% from last year's Php154.3 million mainly due to higher occupancy rate.

- Office Leasing, operated under the Rockwell-Meralco BPO Venture, generated gross revenues of Php219.0 million. This is 2% higher than 2012's Php215.6 million due to higher occupancy of the buildings from 97% to 99%. At its 80% share, the Company generated revenues of Php175.2 million and share in net income of Php75.5 million. The Php75.5 million share in net income of RBC is reflected in the Company's consolidated statements of comprehensive income as "Share in Net Losses (Income) in JV".

The segment's EBITDA amounted to Php638.3 million and grew by 5% from the same period last year. Commercial leasing accounted for 37% of the Company's total EBITDA. EBITDA Margin to total segment revenues was 83%, slightly lower than last year's ratio of 85%.

The total revenues used as basis for the EBITDA margin excludes gross revenues from the joint venture as the latter is reported separately under "Share in Net Losses (Income ) in JV". Share in net income in the joint venture contributes 4% to the Company's total EBITDA.

## **Costs and Expenses**

**Cost of real estate and selling** amounted to Php3,173.0 million. The cost of real estate and selling ratio to residential development revenues is at 69%, slightly lower than 2012's 70%. Selling expenses amounted to Php250.3 million which is 46% higher than 2012 due to ad placements, sales commissions and amortization of prepayments.

**General and administrative expenses (G&A)** amounted to Php757.4 million, up by 37% from the same period last year. The increase was mainly attributable to increase in manpower headcount by 4% and recognition of expenses for Employee Stock Option Plan (ESOP) granted in January 2013.

**Interest Expense** amounted to Php237.5 million, 32% higher than last year's Php179.3 million. The increase was mainly due to the additional Php6 billion debt, which was part of Php10 billion corporate notes entered into last November 2012, to finance the construction of office buildings and land acquisition. The average interest rate of the Company's consolidated debt, however, decreased to 4.8% from last year's 7.3%.

**Share in Net Income (Losses) in JV** realized share in net income of RBC amounting to Php75.5 million from last year's income of Php77.7 million. The decrease is attributable to higher depreciation expense which increased by 3%. Occupancy rate increased to 98% from last year's 97%. 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 Php5.3 billion, net of VAT, for project and capital expenditures for the first nine months of 2013, 7% higher than last year's Php4.9 billion. The expenditures consist mostly of development costs of Proscenium, Edades, The Grove Phases 2 & 3, 205 Santolan and Lopez Tower projects. This is expected to increase in the succeeding quarters due to the construction of RBC Tower 3 and Proscenium project.

## **Financial Condition**

The Company's total assets as of September 30, 2013 amounted to Php28.0 billion, an increase by Php7.3 billion from 2012's yearend amount of Php20.7 billion. Significant increases were on cash and cash equivalents mainly caused by additional drawdown of the Corporate Notes. Trade and other receivables increased to Php4.7 billion from Php3.5 billion due to increase in receivables from Edades, 205 Santolan and The Grove Phases 2 & 3 projects.

Total Liabilities as of September 30, 2013 amounted to Php17.1 billion, higher than 2012's Php10.6 billion. The Company drew the second and third tranches of the corporate notes amounting to Php2.0 billion and Php4.0

billion to finance its capital expenditures. Deposits from pre-selling of condominium units also increased from 2012's Php3.2 million to Php1,090 million mainly from pre-selling of the first three towers of Proscenium.

Current ratio as of September 30, 2013 increased to 3.48x from 2.86x as of December 31, 2012. Net debt to equity ratio is at 0.48x as of September 30, 2013, higher than the 0.39x as of December 31, 2012.

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

#### Statement of Comprehensive Income Items – 1<sup>st</sup> Nine Months 2013 vs. 1<sup>st</sup> Nine Months 2012

##### *42% increase in Sale of condominium units*

Primarily due to higher construction completion of 205 Santolan and The Grove Phases 2 and 3.

##### *6% increase in Lease Income*

Mainly due to rental escalation and replacement of old retail stores.

##### *46% increase in Interest Income*

Mainly due to higher interest income accretion arising from 205 Santolan, The Grove Phases 2 and 3 as well as interest accretion from Proscenium Towers which started in December 2012.

##### *10% increase in Cinema revenue*

Mainly due to Cinema's higher occupancy and more digital movies shown.

##### *6% decrease in Other Revenue*

Primarily due to lower cancellation charges.

##### *37% increase in Cost of Real Estate*

Mainly due to recognition of higher completion of 205 Santolan project, as well as The Grove Phases 2 & 3 which started recognition completion on November 2012 and December 2012, respectively.

##### *19% increase in General and Administrative Expenses*

Mainly attributable to increase in manpower headcount by 4% and recognition of ESOP expenses.

##### *46% increase in Selling Expenses*

Mainly due to higher marketing expenses coming from ad placements, sales commissions and prepaid cost amortization for The Grove and recognition of expenses from Proscenium project.

##### *32% increase in Interest Expense*

Primarily due to the Php6 billion additional loans to fund capital expenditures.

##### *23% increase in Foreign Exchange Gain*

Due to increase in U.S. dollar collections from The Grove Phases 2 & 3.

#### Statement of Financial Position items – September 30, 2013 vs. December 31, 2012

##### *769% increase in Cash and Cash Equivalents*

Primarily due to Php 6.0 billion loan drawdown in March, May, July and August 2013.

##### *35% increase in Trade and Other Receivable*

Mainly due to increase in receivables of Edades, 205 Santolan and The Grove Phases 2 & 3 projects, partially offset by substantial collection from The Grove Phase 1 project.

##### *51% increase in Advances to Contractors*

Primarily due to downpayment to contractors for The Grove Phases 2 & 3 and Lopez Tower projects.

*23% increase in Condominium Units for Sale*

Mainly due to completion of The Grove Phase 1 which resulted to reclassification from land & development costs to condominium units for sale.

*5% increase in Land and Development Costs*

Due to project costs incurred for Proscenium, Alvendia, 53 Benitez projects, including acquisition of property near Rockwell Center.

*77% increase in Other Current Assets*

Mainly due to higher prepaid sales & marketing costs and collection of receivables from 53 Benitez project under escrow.

*28% increase in Non-current Trade Receivables*

Due to completion of The Grove Phase 1.

*101% increase in Property, Plant & Equipment*

Mainly due to reclassification of Edades serviced apartments from investment properties and The Grove serviced apartments from Land & Development Costs.

*22% decrease in Other Non-current Assets*

Due to decrease in deferred input vat.

*13% increase in Trade and other payables*

Primarily due to increase in accrued development costs and VAT payable for deferred sales.

*Php1.09 billion increase in Deposits from pre-selling of Condominium units*

Mainly attributable to pre-selling of Proscenium Towers and 53 Benitez project.

*100% decrease in Current Portion of Interest Bearing Loans and Borrowings*

Due to refinancing of the P4B corporate notes therefore extending its first payment to October 2014.

*5% increase in Income Tax Payable*

Mainly due to the set-up of provision for 3rd qtr 2013 income tax payable.

*146% increase in Interest Bearing Loan-net of current portion*

Mainly due to the drawdown of the 2<sup>nd</sup> and 3<sup>rd</sup> tranches of corporate notes amounting to Php6.0 billion.

*38% decrease in Non-current Portion of Installment Payable*

Reclassification to current of the portion payable in June 2014.

*49% increase in Deferred Tax Liabilities*

Primarily due to increase in revenue recognition from 205 Santolan and The Grove Phases 2 & 3 projects.

*56% increase in Pension Liability*

Due to provision for retirement benefits for the first nine months of 2013.

*61% increase in Deposits and Other Liabilities*

Primarily due to increase retention payable for Edades, 205 Santolan and Lopez Tower projects.

*15% increase in Unrealized gain on available for sale investments*

Mainly due to increase in value of Manila Polo club share.

*100% increase in Share-based payments*

Due to recognition of ESOP for the nine months of 2013.

100% increase in Capital in excess of par value

Mainly due to exercise of ESOP at price higher than book value per share.

19% increase in Retained Earnings

Due to net income after tax of P923.4 million for the first nine months of the year.

### Key Performance Indicators

<i>As indicated</i>	<b>For the 1<sup>st</sup> nine months ended September 30</b>	
	<b>2013</b>	<b>2012</b>
ROA (*)	5.1%	5.1%
ROE (*)	11.7%	10.0%
	<b>September 30, 2013</b>	<b>As of December 31, 2012</b>
Current ratio (x)	3.48	2.86
Debt to equity ratio (x)	0.91	0.44
Net debt to equity Ratio (x)	0.48	0.39
Asset to equity ratio (x)	2.57	2.05
Interest coverage ratio (x)	7.66	7.11

Notes:

(1) ROA [*Net Income/Average Total Assets*]

(2) ROE [*Net Income/ Average Total Equity*]

(3) Current ratio [*Current assets/Current liabilities*]

(4) Debt to equity ratio [*Total interest bearing debt / Total Equity*]

(5) Net debt to equity ratio [*(Total Interest bearing debt)-(Cash and cash equivalents) / Total Equity*]

(6) Asset to equity ratio [*Total Assets/Total Equity*]

(7) Interest coverage ratio [*EBITDA/Interest Payments*]

\* ROA and ROE are annualized figures

## PART II – OTHER INFORMATION

### Item 3. Other Notes and Disclosures

1. Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.	On November 5, 2013, the SEC issued in favor of the Company a permit to sell the Company's Seven (7) Year and One (1) Quarter Unsecured Fixed Rate Peso Retail Bonds due in 2021 with an aggregate principal amount of Php5.0 billion. The proceeds shall be used to partially finance the capital expenditures for the Proscenium development costs. The said Bonds will be issued on November 15, 2013.
2. The effect of changes in the composition of the issuer during the interim period, including business combinations, acquisitions or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.	As a result of the reassessment based on the new definition of control and explicit guidance on PFRS 10, the Company retroactively consolidated (RLCI) effective January 01, 2013.
3. Changes in contingent liabilities or contingent assets since the last annual balance sheet date.	None
4. Existence of material contingencies and any other events or transactions that are material to an understanding of the current interim period.	None
5. Any known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way.	None
6. Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.	None
7. All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.	None
8. Any material commitments for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures.	None
9. Any known trends, events or uncertainties that	None

have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.	
10. Any significant elements of income or loss that did not arise from the registrant's continuing operations.	None
11. Any seasonal aspects that had a material effect on the financial condition or results of operations.	None
12. Disclosure not made under SEC Form 17-C.	None

## Annex A

The stockholders, directors and officers of the Company, their respective number of Common Shares and the corresponding percentage of these Common Shares as of September 30, 2013 are as follows:

	<b>Name of Stockholder</b>	<b>Relationship</b>	<b>No. of Shares</b>	<b>% of Total Outstanding Shares</b>
1	First Philippine Holdings Corporation	Shareholder	5,296,015,375	86.58%
2	Manuel M. Lopez	Shareholder and Director	10,614,467	0.2%
3	Oscar M. Lopez	Shareholder and Director	174,898	0.0%
4	Nestor J. Padilla	Shareholder and Director	16,000,001	0.3%
5	Miguel Ernesto L. Lopez	Shareholder and Director	243,694	0.0%
6	Eugenio L. Lopez III	Director	1	0.0%
7	Manuel L. Lopez, Jr.	Director	1	0.0%
8	Federico R. Lopez	Director	1	0.0%
9	Francis Giles B. Puno	Shareholder and Director	5,656	0.0%
10	Ferdinand Edwin S. Coseteng	Director	1	0.0%
11	Manuel N. Tordesillas	Director	1	0.0%
12	Vicente R. Ayllon	Director	1	0.0%
13	Enrique I. Quiason	Shareholder and Officer	3,575	0.0%
14	Rodolfo R. Waga, Jr.	Shareholder and Officer	1,116	0.0%
15	Valerie Jane L. Soliven	Officer	-	0.0%
16	Maria Lourdes L. Pineda	Shareholder and Officer	81,272	0.0%
17	Estela Y. Dasmariñas	Shareholder and Officer	1,882	0.0%
18	Ellen V. Almodiel	Officer	-	0.0%
19	Julius A. Marzoña	Officer	-	0.0%
20	Ma. Victoria O. Pollisco	Officer	-	0.0%
21	Davy T. Tan	Officer	-	0.0%
22	Abel L. Roxas	Officer	-	0.0%
23	Belen C. Nones	Officer	-	0.0%
23	Adela D. Flores	Shareholder and Officer	4,340	0.0%
24	Antonette O. Marquez	Officer	-	0.0%
25	Others (Public)	Shareholder	793,615,916	12.97%
			<b>6,116,762,198</b>	<b>100.00%</b>

**Annex B**

**ROCKWELL LAND CORPORATION  
SUPPLEMENTARY SCHEDULE REQUIRED  
UNDER SRC RULE 68, AS AMENDED (2011)**

**I. List of Philippine Financial Reporting Standards (PFRSs) [which consists of PFRSs, Philippine Accounting Standards (PASs) and Philippine Interpretations] effective as of September 30, 2013**

<b>PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS</b> Effective as of September 30, 2013		<b>Adopted</b>	<b>Not Adopted</b>	<b>Not Applicable</b>
<b>Framework for the Preparation and Presentation of Financial Statements</b> Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
<b>PFRSs Practice Statement Management Commentary</b>				
<b>Philippine Financial Reporting Standards</b>				
<b>PFRS 1 (Revised)</b>	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			✓
<b>PFRS 2</b>	Share-based Payment	✓		
	Amendments to PFRS 2: Vesting Conditions and Cancellations	✓		
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions	✓		
<b>PFRS 3 (Revised)</b>	Business Combinations			✓
<b>PFRS 4</b>	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
<b>PFRS 5</b>	Non-current Assets Held for Sale and Discontinued Operations			✓

<b>PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS</b> Effective as of September 30, 2013		<b>Adopted</b>	<b>Not Adopted</b>	<b>Not Applicable</b>
<b>PFRS 6</b>	Exploration for and Evaluation of Mineral Resources			✓
<b>PFRS 7</b>	Financial Instruments: Disclosures	✓		
	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	✓		
<b>PFRS 8</b>	Operating Segments	✓		
<b>PFRS 9</b>	Financial Instruments			
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures	✓		
<b>PFRS 10</b>	Consolidated Financial Statements	✓		
<b>PFRS 11</b>	Joint Arrangements	✓		
<b>PFRS 12</b>	Disclosure of Interests in Other Entities	✓		
<b>PFRS 13</b>	Fair Value Measurement	✓		
<b>Philippine Accounting Standards</b>				
<b>PAS 1 (Revised)</b>	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	✓		
<b>PAS 2</b>	Inventories	✓		
<b>PAS 7</b>	Statement of Cash Flows	✓		
<b>PAS 8</b>	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
<b>PAS 10</b>	Events after the Reporting Period	✓		

<b>PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS</b> Effective as of September 30, 2013		<b>Adopted</b>	<b>Not Adopted</b>	<b>Not Applicable</b>
<b>PAS 11</b>	Construction Contracts	✓		
<b>PAS 12</b>	Income Taxes	✓		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets			
<b>PAS 16</b>	Property, Plant and Equipment	✓		
<b>PAS 17</b>	Leases	✓		
<b>PAS 18</b>	Revenue	✓		
<b>PAS 19</b>	Employee Benefits	✓		
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures	✓		
<b>PAS 19 (Amended)</b>	Employee Benefits	✓		
<b>PAS 20</b>	Accounting for Government Grants and Disclosure of Government Assistance			✓
<b>PAS 21</b>	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation			✓
<b>PAS 23 (Revised)</b>	Borrowing Costs	✓		
<b>PAS 24 (Revised)</b>	Related Party Disclosures	✓		
<b>PAS 26</b>	Accounting and Reporting by Retirement Benefit Plans			✓
<b>PAS 27</b>	Consolidated and Separate Financial Statements	✓		
<b>PAS 27 (Amended)</b>	Separate Financial Statements	✓		
<b>PAS 28</b>	Investments in Associates			✓
<b>PAS 28 (Amended)</b>	Investments in Associates and Joint Ventures	✓		
<b>PAS 29</b>	Financial Reporting in Hyperinflationary Economies			✓
<b>PAS 31</b>	Interests in Joint Ventures	✓		
<b>PAS 32</b>	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			✓

<b>PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS</b> Effective as of September 30, 2013		<b>Adopted</b>	<b>Not Adopted</b>	<b>Not Applicable</b>
	Issues			
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
<b>PAS 33</b>	Earnings per Share	✓		
<b>PAS 34</b>	Interim Financial Reporting			✓
<b>PAS 36</b>	Impairment of Assets	✓		
<b>PAS 37</b>	Provisions, Contingent Liabilities and Contingent Assets	✓		
<b>PAS 38</b>	Intangible Assets			✓
<b>PAS 39</b>	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			✓
<b>PAS 40</b>	Investment Property	✓		
<b>PAS 41</b>	Agriculture			✓
<b>Philippine Interpretations</b>				
<b>IFRIC 1</b>	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
<b>IFRIC 2</b>	Members' Share in Co-operative Entities and Similar Instruments			✓
<b>IFRIC 4</b>	<i>Determining Whether an Arrangement Contains a Lease</i>			✓
<b>IFRIC 5</b>	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓

<b>PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS</b> Effective as of September 30, 2013		<b>Adopted</b>	<b>Not Adopted</b>	<b>Not Applicable</b>
<b>IFRIC 6</b>	<i>Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment</i>			✓
<b>IFRIC 7</b>	<i>Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies</i>			✓
<b>IFRIC 8</b>	<i>Scope of PFRS 2</i>			✓
<b>IFRIC 9</b>	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			✓
<b>IFRIC 10</b>	<i>Interim Financial Reporting and Impairment</i>			✓
<b>IFRIC 11</b>	PFRS 2- Group and Treasury Share Transactions			
<b>IFRIC 12</b>	Service Concession Arrangements			✓
<b>IFRIC 13</b>	Customer Loyalty Programmes			✓
<b>IFRIC 14</b>	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			✓
<b>IFRIC 16</b>	Hedges of a Net Investment in a Foreign Operation			✓
<b>IFRIC 17</b>	Distributions of Non-cash Assets to Owners			✓
<b>IFRIC 18</b>	Transfers of Assets from Customers			✓
<b>IFRIC 19</b>	Extinguishing Financial Liabilities with Equity Instruments			✓
<b>IFRIC 20</b>	Stripping Costs in the Production Phase of a Surface Mine			✓
<b>SIC-7</b>	Introduction of the Euro			✓
<b>SIC-10</b>	Government Assistance - No Specific Relation to Operating Activities			✓
<b>SIC-12</b>	Consolidation - Special Purpose Entities			✓
	Amendment to SIC - 12: Scope of SIC 12			
<b>SIC-13</b>	Jointly Controlled Entities - Non-Monetary Contributions by Venturers			✓
<b>SIC-15</b>	Operating Leases - Incentives			✓
<b>SIC-25</b>	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
<b>SIC-27</b>	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			✓

<b>PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS</b> Effective as of September 30, 2013		<b>Adopted</b>	<b>Not Adopted</b>	<b>Not Applicable</b>
<b>SIC-29</b>	Service Concession Arrangements: Disclosures.			✓
<b>SIC-31</b>	Revenue - Barter Transactions Involving Advertising Services			✓
<b>SIC-32</b>	Intangible Assets - Web Site Costs			✓

**FIRST PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CORPORATE STRUCTURE**  
 September 30, 2013



**Power Generation**

66.25%  
**First Gen Corporation**

**Property**

- ROCKWELL LAND**  
86.58%  
**Rockwell Land Corporation**  
100%
- Rockwell Integrated Property Services, Inc.**  
100%
- Primaries Development Corporation**  
100%
- Stonewall Property Development Corporation**  
100%
- Primaries Properties Sales Specialist Inc.**  
69%
- Rockwell Leisure Club, Inc.**  
100%
- Rockwell Hotels and Leisure Management Corp.**
- FIRST PHILIPPINE INDUSTRIAL PARK**  
70.00%  
**First Philippine Industrial Park, Inc.**  
100%
- FIP Property Developers and Management Corporation**  
100%
- FIUI Utilities Incorporated**  
100%
- Grand Betanegas Resort Development Incorporated**  
85.00%

**Manufacturing**

- First Philec**  
100%  
**First Philippine Electric Corporation**
- 99.20%  
**Philippine Electric Corporation**
- 100%  
**First Electro Dynamics Corporation**
- 100%  
**First Philippine Power Systems**
- 100%  
**First Philec Manufacturing Technologies Corporation**
- 74.50%  
**First Philec Solar Corporation**
- 100%  
**Cleantech Energy Holdings PTE, Ltd.**
- 60.00%  
**First Sumlden Realty, Inc.**
- 100%  
**First PV Ventures Corporation**
- 70.00%  
**First Philec Revolution Corporation**
- 100%  
**First Philec Solar Solutions**

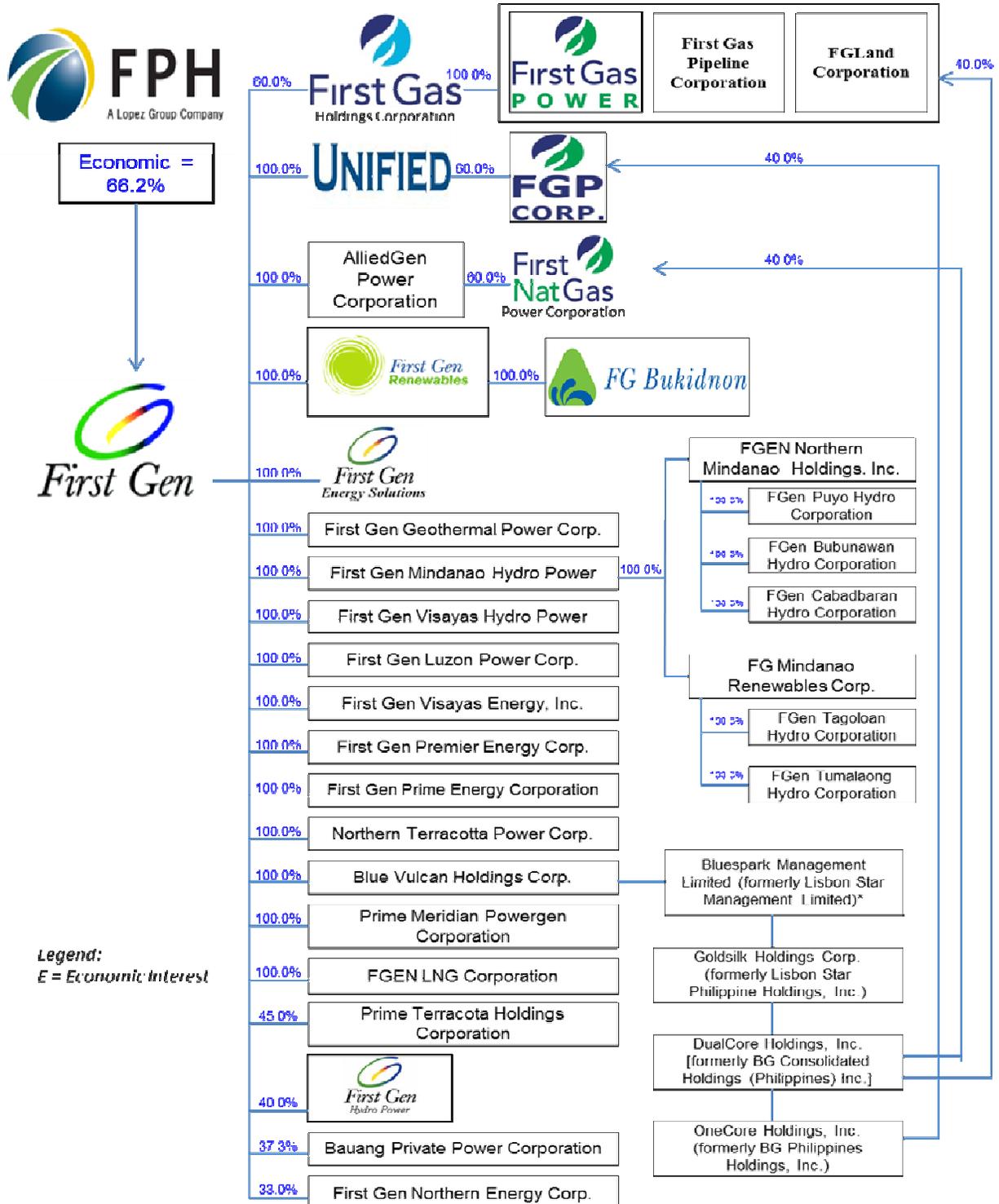
**Power Distribution**

30.00%  
**Panay Electric Company**  
 PECO

**Other Businesses**

- 100%  
**First Balfour, Inc.**
- 100%  
**TerraPrime, Inc.**
- 100%  
**ThermaPrime Well Services, Inc.**
- 60.00%  
**First Philippine Industrial Corporation**
- 100%  
**Securities Transfer Services, Inc.**
- 100%  
**First Philippine Realty Corporation**
- 98.00%  
**FPHC Realty and Development Corporation**
- 100%  
**FPH Capital Resources Inc.**
- 100%  
**First Philippine Realty Corporation**
- 100%  
**FGHC International**
- 100%  
**FPH Fund**
- 100%  
**FPH Ventures**
- 100%  
**First Philippine Properties Corp.**
- 100%  
**First Philippine Development Corp.**
- 100%  
**FPH Land Ventures Inc.**

**FIRST PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES  
CORPORATE STRUCTURE  
September 30, 2013**



\* Incorporated in British Virgin Islands  
Note: Percentages indicated herein pertain to voting interest, unless otherwise indicated

**SIGNATURE**

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**Issuer:           ROCKWELL LAND CORPORATION**

By:

A handwritten signature in black ink, appearing to read "E. Almodiel", written over the printed name below.

**Ellen V. Almodiel**  
VP - Finance

Date: November 14, 2013