



SECURITIES AND EXCHANGE COMMISSION

SEC FORM 12-1, AS AMENDED

REGISTRATION STATEMENT UNDER THE SECURITIES REGULATION CODE

1. SEC Identification Number 62893

2. ROCKWELL LAND CORPORATION (Formerly First Philippine Realty and Development Corporation)

Exact name of registrant as specified in its charter

3. Metro Manila, Philippines

Province, country or other jurisdiction of incorporation or organization

4. 004-710-062

BIR Tax Identification Number

5. Realty and Development Corporation

General character of business of registrant.

6. Industry Classification Code:



(SEC Use Only)

7. 1011 J.P. Rizal St., Makati City

Tel. No. (632) 791-088

Fax No. (632)

Address, including postal code, telephone number, FAX number including area code, of registrant's principal offices

8.

If registrant is not resident in the Philippines, or its principal business is outside the Philippines, state name and address including postal code, telephone number and FAX number, including area code, and email address of resident agent in the Philippines.

9. Fiscal Year Ending Date (Month and Day): December 31

Computation of Registration Fee

Title of each class of securities to be registered	Amount to be registered	Proposed Maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration fee
Seven-Year and One-Quarter Bonds	P5,000,000,000	At par or 100% of face value	P5,000,000,000	P1,830,625.00

Registration Statements filed pursuant to Section 12 of the Code shall be accompanied by a fee as follows:

Maximum aggregate price of securities to be offered	Amount of filing fee
Not more than P500 Million	0.10% of the maximum aggregate price of the securities to be offered
More than P500 Million but not more than P750 Million	P500,000 plus 0.075% of the excess over P500 Million
More than P750 Million but not more than P1 Billion	P687,500 plus 0.05% of the excess over P750 Million
More than P1 Billion	P812,500 plus 0.025% of the excess over P1 Billion

In the case of warrants which have no issue value, the filing fee shall be P50,000.

A legal research fee of 1% of the filing fee paid for filings made pursuant to SRC Rule 8.1 shall also be paid at the time of the filing.

PART I - INFORMATION REQUIRED IN PROSPECTUS

Item 1. Front of the Registration Statement and Outside Front Cover Page of Prospectus.

The information required by Part VI, paragraph (A) of "Annex C, as amended" is on the front page of the Prospectus.

Item 2. Inside Front Cover and First Two or More Pages of Prospectus.

The information required by Part VI, paragraph (B) of "Annex C, as amended" is on the following pages of the Prospectus:

- (a) No securities are being offered by current stockholders in relation to this offer;
- (b) Total proceeds raised by the offering is described on the third page and the "Use of Proceeds" Section on page 31 of the Prospectus;
- (c) Brief description of use of proceeds from the offering is described in the "Use of Proceeds" Section on page 31 of the Prospectus;
- (d) Underwriters' fees is described in the "Plan of Distribution" and "Use of Proceeds" Sections on page 34 and 31 respectively of the Prospectus;
- (e) Dividend policy is described in the "Market Price Of and Dividends on Common Equity and Related Stockholder Matters" Section on pages 93 of the Prospectus;
- (f) Address and telephone number of the company's principal office are set out on Page 4 of the Prospectus;
- (g) Table of Contents is set out on in the "Table of Contents Section on page 5 of the Prospectus;

- (h) Brief description of the company's business is described in the "Executive Summary" and "Description of Business" Sections on pages 12 and 57 respectively of the Prospectus;
- (i) Summary paragraph or key points characterizing the risks of the offering are contained in the "Risk Factors" Section on page 18 of the Prospectus;
- (j) Summary financial information in tabular or graphic form which is useful to potential investors may be found in the "Summary Financial Information" Section on page 14 of the Prospectus;
- (k) Glossary is contained in the "Definition of Terms" Section on page 7 of the Prospectus.

Item 3. Risk Factors and Other Information

The information required by Part VI, paragraph (C) and (D) of "Annex C, as amended" is in the "Risk Factors" Section on page 18 of the Prospectus.

Item 4. Use of Proceeds.

The information required by Part VI, paragraph (E) of "Annex C, as amended" is in the "Use of Proceeds" Section on page 31 of the Prospectus.

Item 5. Determination of Offering Price.

The information required by Part VI, paragraph (F) of "Annex C, as amended" is in the "Determination of Offer Price" Section on page 33 of the Prospectus.

Item 6. Dilution

There is no dilution.

Item 7. Selling Security Holders

There are no selling security holders.

Item 8. Plan of Distribution.

The information required by Part VI, paragraphs (I), (J) and (K) of "Annex C, as amended" is in the "Plan of Distribution" Section on page 34 of the Prospectus.

Item 9. Description of Securities to Be Registered.

The information required by Part II, paragraph (B) of "Annex C, as amended". is in the "Description of the Bonds" Section on page 38 of the Prospectus.

Item 10. Interests of Named Experts and Independent Counsel.

The information required by Part VI, paragraph (L) of "Annex C, as amended" is in the "Interests of Named Experts" Section on page 56 of the Prospectus.

Item 11. Information with Respect to the Registrant.

The following information with respect to the registrant:

- (a) The information required by Part I, paragraph (A) of "Annex C, as amended", Description of Business; is in the "Description of Business" Section on pages 57 of the Prospectus.
- (b) The information required by Part I, paragraph (B) of "Annex C, as amended", Description of Property; is in the "Description of Properties" Section on page 89 of the Prospectus.

- (c) The information required by Part I, paragraph (C) of “Annex C, as amended”, Legal Proceedings; is in the “Legal Proceedings” Section on page 92 of the Prospectus.
- (d) The information required by Part II, paragraph (A)(1) through (4) of “Annex C, as amended”, Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters; are in the “Market Price of and Dividends on Common Equity and Related Stockholder Matters” Section on page 93 of the Prospectus.
- (e) The information required by Part III, paragraph (A) of “Annex C, as amended”, Management's Discussion and Analysis or Plan of Operation; are in the “Management's Discussion and Analysis of Financial Condition and Results of Operations” Section on page 100 of the Prospectus.
- (f) With respect to the information required by Part III, paragraph (B) of “Annex C, as amended”, Changes in and Disagreements With Accountants On Accounting and Financial Disclosure; is in the “Independent Auditors” Section on page 56 of the Prospectus.
- (g) The information required by Part IV, paragraph (A) of “Annex C, as amended”, Directors, Executive Officers, Promoters and Control Persons; is in the “Directors, Executive Officers, and Control Persons” Section on page 119 of the Prospectus.
- (h) The information required by Part IV, paragraph (B) of “Annex C, as amended”, Executive Compensation; is in the “Executive Compensation” Section on page 125 of the Prospectus.
- (i) The information required by Part IV, paragraph (C) of “Annex C, as amended”, Security Ownership of Certain Record and Beneficial Owners and Management; is in the “Security Ownership of Certain Record and Beneficial Owners and Management;” Section on page 128 of the Prospectus.
- (j) The information required by Part IV, Section (D) of “Annex C, as amended”, Certain Relationships and Related Transactions is in the “Certain Relationships and Related Transactions” Section on page 130 of the Prospectus.

Item 12. Financial Information

The financial information as required by SRC Rule 68 is in the “Financial Statements” Section on page 135 of the Prospectus.

**PART II - INFORMATION INCLUDED IN REGISTRATION STATEMENT
BUT NOT REQUIRED IN PROSPECTUS**

Item 13. Other Expenses of Issuance and Distribution.

Breakdown of Registration and Listing Expenses of the Company

Registration and Listing Expenses		
SEC Filing and Research Fees		P1,830,625.00
PSE Fees (with Value Added Tax)		
Listing Fee		
Processing Fee		
Estimated Stock Transfer Agent/Receiving Agent Fees		200,000.00
Estimated Costs of Printing and Publication		100,000.00
Estimated Legal and Other Professional Fees		1,500,000.00
Estimated Other Expenses		1,000,000.00
<i>Estimated Total Listing Expenses</i>		

Item 14. Exhibits.

Incorporated herein by reference are additional exhibits required by Part VII of "Annex C, as amended". Please see attached Exhibit Table.

Item 15.

[Furnish any other document the omission of which will render the foregoing material facts or any other part of the Registration Statement misleading.]

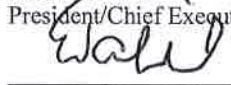
SIGNATURES

Pursuant to the requirements of the Code, this registration statement is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Pasig ~~SEP 20 2013~~ of September 2013.

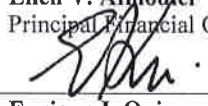
By:



Nestor J. Padilla
President/Chief Executive Officer/Chief Operating Officer



Ellen V. Almodiel
Principal Financial Officer/Comptroller/Principal Accounting Officer




Enrique I. Quiason
Corporate Secretary

SEP 20 2013

SUBSCRIBED AND SWORN to before me this ____ day of September 2013 affiants having exhibited to me their respective exhibiting to me their respective residence certificates and competent evidence of identity, as follows:

NAMES	CTC NO./COMPETENT EVIDENCE OF IDENTITY	DATE AND PLACE OF ISSUE
Nestor J. Padilla	PP No. XX3751497	20 May 2009/DFA Manila
Ellen V. Almodiel	PP No. EB035983	07 June 2010/DFA Manila
Enrique I. Quiason	PP No. EA0007971	02 December 2009/DFA Manila

Doc. No. 028;
Page No. 8;
Book No. 11;
Series of 2013. 1


ANA SOFIA A. BIASON
NOTARY PUBLIC
FOR AND IN THE CITY OF PASIG, TAGUIG AND
SAN JUAN AND IN THE MUNICIPALITY OF PATEROS
UNTIL DECEMBER 31, 2014
Notary Public PASIG CITY
PTR NO. 874
IBP NO. 913923; 1/2/13; RSM
ROLL NO. 61008/APPOINTMENT NO. 157 (2013-2014)
21/F Robinsons-Equitable Tower
4 ADB Ave. cor. Poveda St.
1605 Ortigas Center, Pasig City



ROCKWELL LAND CORPORATION

Rockwell Land Information Center, Rockwell Land Drive cor. Estrella St.
Makati City, Philippines

**₱5,000,000,000 Seven-Year and One-Quarter Bonds Due 2021 at [•]% p.a.
Offer Price: 100% of Face Value**

Rockwell Land Corporation (“Rockwell Land” or the “Issuer” or the “Company” or “ROCK”) is offering Seven (7) Year and One (1) Quarter Unsecured Fixed-Rate Peso Retail Bonds (the “Bonds”) due in 2021 with an aggregate principal amount of ₱5,000,000,000 (the “Offer” or the “Offering”). The Bonds will be issued by Rockwell Land pursuant to the Offer on November [•], 2013 (the “Issue Date”).

The Bonds shall have a term of seven (7) years and one (1) quarter from the Issue Date, with a fixed interest rate equivalent to [•]% p.a. Interest on the Bonds will be payable [quarterly] in arrears; commencing on [•], for the first Interest Payment Date and [•],[•],[•], and [•] of each year for each subsequent Interest Payment Date at which the Bonds are outstanding, or the subsequent Business Day without adjustment to the amount of interest to be paid, if such Interest Payment Date is not a Business Day. For purposes of clarity, the last Interest Payment Date on the Bonds shall fall on the Maturity Date or [•] 2021.

The Bonds shall be redeemed at par (or 100% of face value) on Maturity Date or on [•] 2021, unless Rockwell Land exercises its early redemption option in accordance with the conditions therefor (see “Description of the Bonds” – “Redemption and Purchase”).

The Bonds have been rated [•] by Philippine Rating Services Corporation (“PhilRatings”) as of [•]. The rating is not a recommendation to buy, sell, or hold securities, and is subject to an annual review which may result in the revision, suspension or withdrawal of the rating by the concerned rating agency.

Upon issuance, the Bonds shall constitute the direct, unconditional, unsecured and unsubordinated obligations of Rockwell Land and shall at all times rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of Rockwell Land, other than obligations preferred by law. The Bonds shall effectively be subordinated in right of payment to, among others, all of Rockwell Land’s secured debts to the extent of the value of the assets securing such debt and all of its debt that is evidenced by a public instrument under Article 2244(14) of the Civil Code of the Philippines (see “Description of the Bonds” – “Ranking”).

The Bonds shall be offered to the public at face value through the Joint lead Underwriters named herein. The Bonds shall be issued in scripless form, with the Philippine Depository & Trust Corporation (“PDTC”) maintaining the Electronic Registry of Bondholders, as the Registrar of the Bonds. On Issue Date, the Bonds shall be listed on the Philippine Dealing & Exchange Corporation (“PDEX”) to facilitate secondary trading.

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE OR COMPLETE, ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE SECURITIES AND EXCHANGE COMMISSION

The date of this Preliminary Prospectus is **September 20, 2013**.

Issue Manager



Joint Lead Underwriters

First Metro Investment Corporation

[•]

This Prospectus relates to the offer of ₱5,000,000,000 Fixed Rate Bonds of Rockwell Land due seven years and one quarter from the Issue Date at an issue price of 100% of face value (the "Issue Price").

The Bonds have been rated [●] by Philippine Rating Services Corporation ("PhilRatings") as of [●]. The rating is not a recommendation to buy, sell, or hold securities, and may be subject to revision, suspension, or withdrawal at any time by the concerned rating agency. The rating is not a recommendation to buy, sell, or hold securities, and is subject to an annual review, which may result in the revision, suspension, or withdrawal of the rating by the concerned rating agency.

Rockwell Land expects to raise gross proceeds amounting to ₱5,000,000,000 and the net proceeds are estimated to be approximately ₱ 4,947,409,375 , after deducting fees, commissions and expenses relating to the issuance of the Bonds. Proceeds of the Offer shall be used to partially finance the capital expenditures of the Company until 2014, particularly that of The Proscenium project (see "Use of Proceeds" on page 31). The Joint Lead Underwriters shall receive a fee of 0.30% on the final aggregate nominal principal amount of the Bonds issued.

The Bonds shall be offered to the public at face value through the Joint Lead Underwriters named herein. The Bonds shall be issued in scripless form, with the PDTC maintaining the Electronic Registry of Bondholders, as the Registrar of the Bonds. Subsequent to Issue Date, the Bonds shall be listed in PDEX to facilitate secondary trading. The Bonds shall be issued in denominations of ₱50,000 each, as a minimum, and in multiples of ₱10,000 thereafter, and traded in denominations of ₱10,000 in the secondary market.

Rockwell Land confirms that this Prospectus contains all material information relating to the Company, its subsidiaries and affiliates, which is, in the context of the issue and offering of the Bonds, material (including all information required by applicable laws of the Republic of the Philippines), are true, accurate, and correct in every respect. To the best of its knowledge and belief, there is no material misstatement or omission of fact, which would make any statement in this Prospectus misleading in any material respect. Rockwell Land confirms that it has made all reasonable inquiries in respect of the information, data and analysis provided to it by its advisors and consultants for inclusion into this Prospectus. Rockwell Land, however, has not independently verified any publicly available information, data, or analyses. Neither the delivery of this Prospectus nor any sale made pursuant to the Offering shall, under any circumstance, create any implication that the information contained or referred to in this Prospectus is accurate as of any time subsequent to the date hereof. The Issue Manager and Joint Lead Underwriters assume no liability for any information contained in this Prospectus and do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this Prospectus. Unless otherwise indicated, all information in this Prospectus is as of the date of this Prospectus.

No dealer, salesman or other person has been authorized by Rockwell Land and the Joint Lead Underwriters to give any information or to make any representation concerning the Bonds other than those contained herein, and, if given or made, any such other information or representation should not be relied upon as having been authorized by Rockwell Land or the Joint Lead Underwriters.

The price of securities can and does fluctuate, and any individual security may experience upward or downward movements, and may even become valueless. There is an inherent risk that losses may be incurred than profit made as a result of buying and selling securities. An investment in Bonds, described in this Prospectus, involves a certain degree of risk. A prospective purchaser of the Bonds should carefully consider several risk factors (see "Risk Factors" on page 18), such as risks inherent to the Company and the Business and risks pertinent to the Philippines vis-à-vis risks inherent to the Bonds, in addition to the other information contained in this Prospectus, in deciding whether to invest in the Bonds.

In making an investment decision, investors must rely on their own examination of Rockwell Land and the terms of the Offer, including the material risks involved. The Offer is being made on the basis of this Prospectus only.

The contents of this Prospectus are not to be considered legal, business, or tax advice. Each prospective purchaser of the Bonds receiving a copy of this Prospectus acknowledges that he has not relied on the Joint Lead Underwriters in his investigation on the accuracy of any information found in the Prospectus or in his investment decision. Prospective purchasers should consult their own counsel, accountants, or other advisors as to legal, tax, business, financial and related aspects of the purchase of the Bonds, among others. It bears emphasis that investing in the Bonds involves certain risks (see discussion on factors to be considered in respect of an investment in the Bonds under "Risk Factors" on page 18).

Rockwell Land is organized under the laws of the Philippines. Its principal office address is at the Rockwell Information Center, Rockwell Center, Makati City, Philippines, with telephone number +63 2 793 0088.

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION BUT HAS NOT YET BEEN DECLARED EFFECTIVE. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE ACCEPTED OR RECEIVED UNTIL THE REGISTRATION STATEMENT HAS BECOME EFFECTIVE, AND ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OR COMMITMENT OF ANY KIND, AT ANY TIME PRIOR TO NOTICE OF ITS ACCEPTANCE GIVEN AFTER THE EFFECTIVE DATE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY.

Rockwell Land Corporation
By:

NESTOR J. PADILLA
President & Chief Executive Officer

REPUBLIC OF THE PHILIPPINES)
.....) s.s.

SUBSCRIBED AND SWORN to before me this ____ day of _____ 2013, affiant exhibiting to me his Community Tax Certificate No. _____ issued on _____ at _____ and _____ as competent evidence of his identity.

Doc. No. ____;
Page No. ____;
Book No. ____;
Series of 2013.

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FORWARD-LOOKING STATEMENTS

This Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by use of statements that include words or phrases such as "believes", "expects", "anticipates", "intends", "plans", "foresees", or other words or phrases of similar import. Similarly, statements that describe Rockwell Land's objectives, plans or goals are also forward-looking statements. All such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the expectations of Rockwell Land include, among others:

- General economic and business conditions in the Philippines;
- Industry risk in which Rockwell Land's subsidiaries and affiliates operate;
- Changes in laws and regulations that apply to the segments or industry in which Rockwell Land, its subsidiaries and affiliates operate; and
- Changes in political conditions in the Philippines;

For further discussion of such risks, uncertainties and assumptions, see — *Risk Factors*. Prospective purchasers of the Bonds are urged to consider these factors carefully in evaluating the forward-looking statements. The forward-looking statements included herein are made only as of the date of this Prospectus, and Rockwell Land undertakes no obligation to update such forward-looking statements publicly to reflect subsequent events or circumstances.

The Issue Manager and the Joint Lead Underwriters do not take any responsibility for, or give any representation, warranty or undertaking in relation to, any such forward-looking statement.

DEFINITION OF TERMS

As used in this Prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below.

Application to Purchase	The document to be executed by any Person qualified to become a Bondholder
Banking Day	A day (except Saturdays, Sundays and holidays) on which commercial banks in Makati City, Metro Manila, Philippines are open for business transactions
BIR	Bureau of Internal Revenue of the Philippines
Board of Directors	Board of Directors of Rockwell Land
BPO	Business Process Outsourcing
BSP	Bangko Sentral ng Pilipinas, the central bank of the Philippines
Bondholder	A person whose name appears, at any time, as a holder of the Bonds in the Registry of Bondholders
Bonds	SEC-registered Unsecured Fixed Rate 7-Year and 1-Quarter Bonds to be issued by Rockwell Land in the aggregate principal amount of ₱5,000,000,000
By-Laws	The Company's by-Laws, as amended
CBD	Central Business District
Civil Code	New Civil Code of the Philippines
Common Shares	Common shares of the Company with a par value of ₱1.00
Company or Rockwell Land or Issuer or ROCK	Rockwell Land Corporation
Corporation Code	Batas Pambansa Blg. 68, otherwise known as "The Corporation Code of the Philippines", as amended
Constitution	The 1987 Constitution of the Philippines
DAR	Department of Agrarian Reform of the Philippines
DENR	Department of Environment and Natural Resources of the Philippines
Dividend Distribution	The dividend distribution approved by the board of directors of Meralco effectively distributing to Meralco shareholders of 2.81820980816 Rockwell Land Common Shares for every one (1) Meralco share

EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
ECC	Environmental Compliance Certificate
EDC	Energy Development Corporation
Electronic Registry of Bondholders	The electronic record of the issuances, sales and transfers of the Bonds to be maintained by the Registrar, pursuant to and under the terms of the Registry and Paying Agency Agreement
First Gen	First Gen Corporation
FPHC	First Philippine Holdings Corporation
GDP	Gross Domestic Product
Government	Government of the Republic of the Philippines
Governmental Authority	The Republic of the Philippines, any of its political subdivisions, or any branch, department, agency or office thereof, or any Person exercising or entitled to exercise executive, legislative, judicial, regulatory or administrative functions thereof
HLURB	Housing and Land Use Regulatory Board
Interest Rate	Interest Rate of the Bonds, at [•]% p.a.
Interest Payment Date	[•], for the first Interest Payment Date and [•],[•],[•], and [•] of each year for each subsequent Interest Payment Date, for so long as the relevant Bonds are outstanding. If the Interest Payment Date is not a Business Day, interest will be paid on the next succeeding Business Day, without adjustment as to the amount of interest to be paid.
Issue Date	November [•], 2013 or such date on which the Bonds shall be issued by Rockwell Land to the Bondholders
Issue Manager	First Metro Investment Corporation
Joint Lead Underwriters	First Metro Investment Corporation and [•]
Listing	The listing by way of introduction of 6,228,382,344 Common Shares on the first board of the PSE representing 100% of the issued and outstanding Common Shares
Majority Bondholders	The holder or holders of more than fifty percent (50%) of the principal amount of the Bonds outstanding at the relevant time
Maturity Date	[•] 2021. The Maturity Date of the Bonds, for purposes of the Company effecting repayment of the principal amount thereof, shall be in accordance with Business Day convention. Thus, if a Maturity Date is not a Business Day, the principal repayment, without adjustment as to the

amount of interest to be paid, shall be made by the Company on the succeeding Business Day.

Meralco	Manila Electric Company
Offer or Offering	The offer and issuance of the Bonds by the Company pursuant to the Trust Indenture, Underwriting Agreement, Application to Purchase, and the Registry and Paying Agency Agreement, which are summarized in the section “Description of the Bonds” on page 38
Offer Period	Commencing at 9:00 am on [●] and ending at 12:00 nn on [●] or such earlier day or later day as maybe mutually agreed upon by the Issuer, the Issue Manager and Joint Lead Underwriters.
PAS	Philippine Accounting Standards
Paying Agent	Refers to PDTC, appointed under the Registry and Paying Agency Agreement, that will receive the funds from the Company for the payment of the principal, interest, and other amounts due on the Bonds and remit the same to the Bondholders, based on the records shown in the Registry of Bondholders
Payment Date	The Interest Payment Date and/or the Maturity Date and/or the date of early redemption when interest on and/or the redemption amount of the Bonds is due and payable to the relevant Bondholders
PD 957	Presidential Decree No. 957, “The Subdivision and Condominium Buyers’ Protective Decree”, as amended
PD 1529	Presidential Decree No. 1529, “Property Registration Decree”
PDEX	Philippine Dealing & Exchange Corp.
PDTC	Philippine Depository & Trust Corp.
Person	Individuals, juridical persons such as corporation, partnership, joint venture, unincorporated association, trust or other juridical entities, or any governmental authority
Peso or Pesos or ₱	Philippine Pesos, the lawful and official currency of the Republic of the Philippines
PFRS	Philippine Financial Reporting Standards
PhilRatings	Philippine Rating Services Corporation
Power Plant Mall	A four-level shopping center of 40,000 sq.m. leasable area with three (3) levels of parking located at the heart of Rockwell Center
Preferred Shares	Redeemable and reissuable preferred voting shares of the Company with a par value of ₱0.01

Prospectus	This Prospectus together with all its annexes, appendices and amendments, if any
PSE	The Philippine Stock Exchange, Inc.
RA 4726	Republic Act No. 4726 or The Condominium Act
RA 6541	Republic Act No. 6541 or The National Building Code of the Philippines
RA 6552	Republic Act No. 6552 or The Realty Installment Buyer Act, also known as the Maceda Law
RA 6557	Republic Act No. 6557 or The Comprehensive Agrarian Reform Law of 1988
RA 7279	Republic Act No. 7279 or The Urban Development and Housing Act
RBC	Rockwell Business Center
Record Date	Two Business Days prior to the relevant Payment Date, which shall be the reckoning day in determining the Bondholders entitled to receive interest, principal, or any other amount due under the Bonds
Registrar	Refers to PDTC, appointed pursuant to the Registry and Paying Agency Agreement
Registry and Paying Agency Agreement	Registry and Paying Agency Agreement dated [•] between the Company and the Paying Agent and the Registrar
Registry of Bondholders	Electronic Registry of Bondholders maintained by the Registrar
RIPSI	Rockwell Integrated Property Services Inc.
Rockwell Club	Rockwell Leisure Club, Inc.
Rockwell Land	Rockwell Land Corporation, the Company
SEC	Securities and Exchange Commission of the Philippines
SGV & Co.	SyCip Gorres Velayo & Co., the Company's Independent Auditor
SRC	Republic Act No. 8799, otherwise known as "The Securities Regulation Code of the Philippines", including its Implementing Rules and Regulation as promulgated and amended or supplemented by the SEC from time to time
Tax Code	National Internal Revenue Code of the Philippines, as amended, and its implementing rules and regulations as maybe in effect from time to time
Terms and Conditions	The terms and conditions of the issuance of the Bonds as set forth in the Trust Indenture

TCT	Transfer Certificate of Title
Trust Indenture	Trust Indenture to be entered into between the Company and the Trustee
Trustee or MBTC Trust	Metropolitan Bank and Trust Company –Trust Banking Group
Underwriting Agreement	Underwriting Agreement to be entered into among the Company, the Issue Manager, and the Joint Lead Underwriters
U.S.	The United States of America
US\$ or \$	U.S. Dollar, the lawful currency of the United States of America
VAT	Value-Added Tax

EXECUTIVE SUMMARY

The following summary is qualified in its entirety by the more detailed information, including the Company's financial statements and the notes relating thereto, appearing elsewhere in this Prospectus. Because it is a summary, it does not contain all the information that a prospective purchaser should consider before investing. Prospective purchasers of the Bonds must read the entire Prospectus carefully, including the section on "Risk Factors", and the financial statements and the related notes to those statements annexed to this Prospectus. Capitalized terms not defined in this summary are defined in the section "Definition of Terms".

THE COMPANY

Rockwell Land is a premier property developer for residential and commercial projects that cater to the high-end and upper-mid markets in Metro Manila. It is primarily engaged in the residential development of high-rise condominiums, as well as in retail and office leasing.

The residential development segment involves the development, sales and property management of all residential units under the Rockwell Land brand. This segment currently accounts for 61% of the Company's EBITDA in 2012.

As of the date of this Prospectus, its portfolio of completed projects comprises of the following:

- West Block Residential Towers
- The Manansala
- Joya Lofts and Towers
- One Rockwell
- The Grove by Rockwell Land – Phase 1

In addition to the above completed projects, the Company has the following ongoing projects:

- The Grove by Rockwell Land – Phases 2 & 3
- 205 Santolan by Rockwell Land
- The Proscenium
- The Alvendia

The commercial leasing segment of the Company develops, leases and manages its retail and office developments. Its retail portfolio includes the Power Plant Mall (including the Power Plant Cinema) as well as various retail areas in its residential developments. As of the date of this Prospectus, the Company manages 48,000 sq.m. of retail space in the Rockwell Center, the Rockwell Business Center and The Grove. Recurring income generated from this segment contributes 40% of the Company's income. On the other hand, its lone office development as of the date of this Prospectus is the Rockwell Business Center in Ortigas which has 44,000 sq.m. of leasable space.

The Company continues to seek new opportunities for its expansion and growth. As of the date of this Prospectus, the Company will launch several projects which are currently still in the developmental and design stages.

HISTORY

The Company was incorporated on August 11, 1975 as First Philippine Realty and Development Corporation. In February 23, 1995, the Company amended its articles of incorporation, changing its name to Rockwell Land Corporation. On September 27, 1996, the SEC approved the increase in capital stock of the Company from ₱1.0 million to ₱6.0 billion with three major shareholders subscribing to the increase, namely: Meralco, FPHC and Lopez Holdings Corporation. During the increase, the Company also amended its articles of incorporation to include the increase in capital stock and the increase in the number of directors from 5 to 11. On May 4, 2000, the SEC approved the articles of merger of the Company with Hubbard Realty Holdings, Inc., Farragut

Realty Holdings, Inc., Mc Pherson Square, Inc., and Foggy Bottom, Inc., with the Company as the surviving entity. In July 2008, the SEC approved the Company's increase in authorized capital from ₱6.0 billion divided into 6,000,000,000 Common Shares with ₱1 par value each to ₱9.0 billion divided into 8,890,000,000 Common Shares with the same par value and 11,000,000,000 Preferred Shares with a ₱0.01 par value each with existing shareholders subscribing to the increase in capital. In August 2009, Lopez Holdings Corporation sold its share in the Company to FPHC therefore leaving the Company with only two (2) major shareholders, namely Meralco and FPHC. On February 28, 2012, the SEC approved the amendment to the First Article of the Articles of Incorporation of the Company changing its name from "Rockwell Land Corporation" to: "ROCKWELL LAND CORPORATION Doing business under the name and style of Powerplant Mall; Powerplant Cinemas; and Edades Serviced Apartments".

COMPETITIVE STRENGTHS

The Company believes that it can effectively compete in the industry because of the following strengths:

- Reputation for innovation and world-class property developments
- Solid project delivery track record
- Unique and strategic urban assets
- Substantial recurring income
- Strong financial position
- Experienced Management Team
- Potential for Expansion and Growth

A more detailed discussion of the Company's "Competitive Strengths" may be found on page 67.

STRATEGIES

The following are the strategies that Rockwell Land employs as it pursues its real property business:

- Pursue opportunities by offering new products or services to untapped or underserved markets
- Capitalize on the Rockwell brand and the Company's experience to expand its business
- Maintain a healthy balance of recurring and non-recurring income sources

SUMMARY FINANCIAL INFORMATION

The selected financial information set forth in the following tables has been derived from the Company's unaudited interim condensed consolidated financial statements as of June 30, 2013 and December 31, 2012 and for the six months ended June 30, 2013 and 2012 and its audited consolidated financial statements as of December 31, 2012 and 2011 and January 1, 2011 and for the years ended December 31, 2012, 2011 and 2010. This should be read in conjunction with the unaudited interim condensed consolidated financial statements and audited consolidated financial statements annexed to this Prospectus, the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other financial information included herein.

The summary financial information set out below does not purport to project the results of operations or financial condition of the Company for any future period or date.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

<i>In million pesos</i>	June 30, 2013	December 31, 2012	December 31, 2011	December 31, 2010
Cash and cash equivalents	1,678	533	473	351
Trade and other receivables	3,778	3,478	2,566	2,345
Land and development costs	6,839	6,752	5,585	2,619
Other current assets ⁽¹⁾	3,235	1,603	1,339	1,361
Total current assets	15,530	12,366	9,963	6,676
Investment properties-net	4,664	4,954	4,731	4,454
Investment in joint venture	2,240	2,189	2,103	2,023
Other noncurrent assets ⁽²⁾	1,746	1,213	1,213	809
Total noncurrent assets	8,650	8,356	8,047	7,286
Total assets	24,179	20,722	18,010	13,962
Trade and other payables	4,208	3,247	2,625	2,139
Current portion of interest-bearing loans & borrowings	-	405	278	2,733
Current portion of installment payable	677	647	652	-
Income tax payable	29	25	33	33
Total current liabilities	4,914	4,324	3,588	4,905
Interest-bearing loans & borrowings	6,925	4,027	2,588	283
Installment payable	1,104	1,855	2,371	-
Other noncurrent liabilities ⁽³⁾	511	395	316	512
Total noncurrent liabilities	8,540	6,277	5,275	795
Total Liabilities	13,454	10,601	8,863	5,700
Equity Attributable To				
Equity Holders of the Parent Company	10,657	10,054	9,082	8,194
Non-Controlling Interests	68	67	66	68
Total Equity	10,725	10,121	9,148	8,262

For breakdown of revenues per operating segment and type of revenue, please refer to the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" located in Page 100 of this Prospectus.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<i>In million pesos</i>	June 30, 2013	December 31, 2012	December 31, 2011	December 31, 2010
Cash and cash equivalents	1,678	533	473	351

<i>In million pesos</i>	June 30, 2013	December 31, 2012	December 31, 2011	December 31, 2010
Trade and other receivables	3,778	3,478	2,566	2,345
Land and development costs	6,839	6,752	5,585	2,619
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Notes:

- (1) Other current assets include advances to contractors, condominium units for sale and other current assets.*
- (2) Other noncurrent assets include noncurrent trade receivables, property and equipment, available-for-sale investments, pension asset and other noncurrent assets.*
- (3) Other noncurrent liabilities include deferred tax liabilities – net, pension liability and deposits and other liabilities.*

Please refer to the section entitled “Selected Financial Information” located on page 97 of this Prospectus for further details.

SUMMARY OF THE OFFERING

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Prospectus and in the Trust Indenture.

Issuer	Rockwell Land Corporation
Instrument	SEC-registered Unsecured Fixed-Rate Peso-Denominated Retail Bonds (the "Bonds") of Five Billion Pesos (₱5,000,000,000).
Use of Proceeds	The net proceeds of the Offer are intended to be used by the Company to partially finance its capital expenditure requirements, primarily for the Proscenium development costs.
Offer Price	At par, or 100% of the face value.
Manner of Distribution	The Bonds will be distributed to retail and/or qualified institutional investors via public offering
Form and Denomination of the Bonds	The Bonds shall be issued in scripless form in denominations of ₱50,000, each as a minimum and in increments of ₱10,000 thereafter. Legal title to the Bonds shall be shown in the Register of Bondholders to be maintained by the designated Registrar.
Term of the Instrument	Seven (7) years and one (1) quarter from the Issue Date
Offer Period	Commencing at 9:00 am on [●] and ending at 12:00 nn on [●] or such earlier day or later day as maybe jointly determined by the Issuer, the Issue Manager and Joint Lead Underwriters.
Issue Date	[●]
Maturity Date	[●] Seven (7) years and one (1) quarter from the Issue Date or [●]. <i>Provided</i> that, if such date is declared to be a non-Business day, the Maturity Date shall be the next succeeding Business Day.
Interest Rate	[●]% p.a.
Interest Payment	Interest on the Bonds shall be calculated on the basis of a 30/360-day basis, and shall be paid [quarterly] in arrears commencing on [●], for the first Interest Payment Date and [●],[●],[●], and [●] of each year for each subsequent Interest Payment Date at which the Bonds are outstanding, or the subsequent Business Day without adjustment if such Interest Payment Date is not a Business Day. The last Interest Payment Date on the Bonds shall fall on the Maturity Date.
Final Redemption	The Bonds shall be redeemed at par, or 100% of face value, on Maturity Date, unless Rockwell Land exercises its early redemption option according to the conditions therefor (see "Description of the Bonds" – "Redemption and Purchase" on page 41).

Optional Redemption	<p>Prior to final maturity, Rockwell Land may redeem in whole, but not in part, the outstanding Bonds on the following dates: (i) the twenty first (21st) Interest Payment Date or five (5) years and one (1) quarter from the Issue Date; and (ii) the twenty fifth (25th) Interest Payment Date or six (6) years and one (1) quarter from the Issue Date (each an “Optional Redemption Date”). Rockwell Land shall give not less than thirty (30) nor more than sixty (60) days prior written notice of its intention to redeem the Bonds, which notice shall be irrevocable and binding upon the Issuer to effect such early redemption of the Bonds on the Optional Redemption Date stated in such notice.</p> <p>The amount payable to the Bondholders in respect of an Optional Redemption exercise shall be calculated, based on the principal amount of the Bonds being redeemed, as the sum of (i) accrued interest computed from the last Interest Payment Date up to the relevant Optional Redemption Date; and (ii) the product of the principal amount of the Bonds being redeemed and the Optional Redemption Price in accordance with the following schedule:</p> <table border="1" data-bbox="671 786 1433 1037"> <thead> <tr> <th data-bbox="671 786 1054 846">Optional Redemption Date</th> <th data-bbox="1054 786 1433 846">Optional Redemption Price</th> </tr> </thead> <tbody> <tr> <td data-bbox="671 846 1054 947">Five (5) years and One (1) quarter from the Issue Date</td> <td data-bbox="1054 846 1433 947">102%</td> </tr> <tr> <td data-bbox="671 947 1054 1037">Six (6) years and One (1) quarter from the Issue Date</td> <td data-bbox="1054 947 1433 1037">101%</td> </tr> </tbody> </table>	Optional Redemption Date	Optional Redemption Price	Five (5) years and One (1) quarter from the Issue Date	102%	Six (6) years and One (1) quarter from the Issue Date	101%
Optional Redemption Date	Optional Redemption Price						
Five (5) years and One (1) quarter from the Issue Date	102%						
Six (6) years and One (1) quarter from the Issue Date	101%						
Redemption for Tax Purposes	<p>If payments under the Bonds become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on the Issue Date as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem the Bonds in whole, but not in part, on any Interest Payment Date (having given not more than 60 nor less than 30 days’ prior written notice) at par, plus accrued interest.</p>						
Status of the Bonds	<p>The Bonds shall constitute the direct, unconditional, unsecured and unsubordinated, obligations of Rockwell Land and shall at all times rank <i>pari passu</i> and ratably without any preference or priority amongst themselves and at least <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of Rockwell Land, other than obligations preferred by law.</p>						
Issue Manager	First Metro Investment Corporation						
Joint Lead Underwriters	First Metro Investment Corporation [•]						
Registry and Paying Agent	Philippine Depository & Trust Corp.						
Trustee	Metropolitan Bank and Trust Company –Trust Banking Group						

RISK FACTORS

An investment in the Bonds, as described in this Prospectus, involves a certain number of risks. The price of securities can and does fluctuate, and any individual security may experience upward or downward price movements and may lose part, or all, of its value over time. There is an inherent risk that losses may be incurred rather than profit, as a result of buying and selling securities. Past performance is not a guide to future performance and there may be a large difference between the buying price and the selling price of any security. The market price of the Bonds could decline due to any one of, but not limited to, the risks described herein, and all or part of an investment in the Bonds could be lost.

Prior to making any investment decision, prospective investors should carefully consider all of the information in this Prospectus, including the risk factors described below.

This section entitled "Risk Factors" does not purport to be a comprehensive disclosure of all of the risks and other significant aspects of investing in these securities, but is intended to give a general idea to a prospective investor of the scope of risks involved in investing in the Bonds. The occurrence of any of the events discussed below and any additional risks and uncertainties not presently known to the Company or that are currently considered immaterial could have a material adverse effect on the Company's business, results of operations, financial condition and prospects and on the Bonds in the future. Prospective investors may request publicly available information on the Bonds and the Company from the SEC. Prospective Investors should undertake their own independent research and study on the merits of investing, and subsequently, trading these securities. Prospective investors should seek professional advice if he or she is uncertain of, or has not understood any aspect of the Offer or the nature of risks involved in purchasing, holding and trading the Bonds. Each potential investor should consult its own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of an investment in the Bonds. Rockwell Land, the Issue Manager, and the Joint Lead Underwriters do not make any warranty or representation on the marketability of an investment in the Bonds and the sustainability of the price of the Bonds. The risk factors discussed in this section are separated into categories for ease of reference.

RISK FACTORS RELATING TO THE COMPANY AND ITS BUSINESS

Property development is a highly competitive business environment

Rockwell Land operates as a provider of dwelling places for the high-end and upper-middle real estate markets in the Philippines. This is a highly competitive segment due to the proliferation of high-end real estate developers in the market. Rockwell Land competes with a significant array of real estate developers and developments to attract potential owners of land and residential units, office and retail tenants as well as property management firms. Should Rockwell Land fail to attract buyers for its developments due to the proliferation of competition within its segment, its business and results of operations could be adversely affected.

Rockwell Land continues to maintain its core values of quality, design, attention to detail and innovation. It also tries to continually maintain its personal service to its residents, tenants and unit owners in order to maintain its competitiveness in the high-end and upper-middle real estate markets in the Philippines.

Company is exposed to risks inherent in the Philippine property market as the Company's properties are all in the Philippines

Rockwell Land derives its revenue and operating profits from property investment and development operations in the Philippines. Thus, the Company is directly affected by the risks that affect the Philippine property market as a whole. In general, the Philippine property market is determined by the strength of the Philippine economy, the spending capacity of buyers and the availability of other equally priced properties. However, the property market now has also been affected by social trends, changing spending patterns and

consumer sentiment in the Philippines, which in turn are likewise influenced by economic, political and social conditions in the Philippines.

Present day economic and political uncertainties in the Philippines may have adverse effects on consumer spending habits, construction costs, availability of labor and materials and other factors affecting the Company. Significant expenditures are associated with investment in real estate. Because Rockwell Land's properties and investments are all in the Philippines, reduced levels of economic growth, adverse changes in the country's political or security situation, or weaker performance of the country's property development market generally could materially adversely affect its profitability.

Timely development of Rockwell Land's project is dependent on various factors

Rockwell Land's future financial performance may be significantly affected by factors that limit its ability to finance and complete its current and future projects in a timely and cost-effective manner and to market them successfully. Rockwell Land may invest significant time and money in a project which may not be commercially viable. Obtaining governmental approvals and permits may also take substantially more time and resources than anticipated or construction of projects may not be completed on schedule and within budget. In addition, time and the costs involved in completing the development and construction of its projects can be adversely affected by many factors, including shortages of materials, equipment and labor, adverse weather conditions, Peso depreciation, natural disasters, labor disputes with contractors and subcontractors, accidents, changes in laws or in Government priorities and other unforeseen problems or circumstances. Where land to be used for a project is occupied by tenants and/or informal settlers, Rockwell Land may have to take steps, and incur additional costs, to remove such occupants and, if required by law, to provide relocation facilities for them. Any of these factors could result in project delays and cost overruns, which could negatively affect Rockwell Land's margins. This may also result in sales and resulting profits from a particular development not being recognized in the year in which it was originally expected to be recognized, which could adversely affect Rockwell Land's results of operations for that year. Further, the failure by Rockwell Land to complete the construction of a project to its planned specifications or schedule may result in contractual liabilities to purchasers and lower returns.

If any of Rockwell Land's projects experience construction or infrastructure failures, design flaws, quality control issues and other factors resulting in significant project delays, this could have a negative effect on Rockwell Land's reputation and make it more difficult to attract new customers to its projects, thus impairing Rockwell Land's ability to reduce its capital investment requirements. Rockwell Land cannot provide any assurance that such events will not occur in a manner that would materially and adversely affect its results of operations or financial condition.

Rockwell Land, through its project management team, has made it a policy to conduct strict monitoring of project milestones in order to timely address any issues during project planning, design, construction up to the hand over of the units to the owners.

Rockwell Land may be unable to successfully manage its growth

Rockwell Land intends to continue to pursue an aggressive growth strategy for its real estate business. Rockwell Land's growth strategy for its land development business may require a reallocation of management resources away from its current daily operations, and will also require the Company to manage relationships with a greater number of customers, suppliers, contractors, service providers, lenders and other third parties. In the course of implementing its growth strategy, Rockwell Land may experience capital constraints, construction details, operational difficulties at new operational locations or difficulties in operating existing businesses and training personnel to manage and operate the expanded business. Any inability or failure to adapt effectively to growth, including strains on management and logistics, could result in losses or development costs that are not recovered as quickly as anticipated, if at all. These problems could have a material adverse effect on Rockwell Land's reputation and on its business, results of operations or financial condition.

Rockwell Land carefully selects its projects, ensuring resources are properly identified, quantified and allocated to ensure such projects are successfully completed, on schedule, within budget and based on quality specifications.

Competition for the acquisition of land for new projects may adversely affect Rockwell Land's business

Rockwell Land's growth and development are dependent on its ability to acquire or enter into agreements to buy and develop additional tracts of land suitable for Rockwell Land's planned real estate projects. The Company may encounter difficulty in negotiating with landowners to sell their land to Rockwell Land. The Company may also experience difficulty locating parcels of land of suitable size in locations and at prices acceptable to the Company, particularly parcels of land located in areas surrounding Metro Manila and in other urban areas throughout the Philippines. Should Rockwell Land fail to acquire and/or develop suitable land at acceptable prices and with reasonable returns, or at all, its growth prospects could be limited and its business and results of operations could be adversely affected.

Rockwell Land carefully selects its projects and limits its acquisitions to land that would be used in the short term and medium term. The Company maintains good relationships with brokers and landowners of prospective projects in order to be prioritized in the event of sale.

Substantial sales cancellations involving Rockwell Land's projects could adversely affect the business of Rockwell Land

Rockwell Land's business, financial condition and results of operations could be adversely affected by the material number of cancellations of unit sales in its projects. RA 6552 or the Maceda Law covers the business of Rockwell Land as it applies to all transactions or contracts involving the sale or financing of real estate through installment payments. Under the said law, buyers who have paid at least two (2) years of installments are granted a grace period of one (1) month for every year of paid installments to cure any payment default. If the contract is cancelled, the buyer is entitled to receive a refund of at least 50% of the total payments made by the buyer, with an additional 5% per annum in cases where at least five (5) years of installments have been paid (but with the total not to exceed 90% of the total payments). Buyers who have paid less than two (2) years of installments and who default on installment payments are given a 60-day grace period to pay all unpaid installments before the sale can be cancelled, but without right of refund.

While Rockwell Land has not experienced a material number of cancellations to which RA 6552 has applied, there can be no assurance that it will not experience a material number of cancellations in the future, particularly during slowdowns or downturns in the Philippine economy, periods when interest rates are high or similar situations. In the event that Rockwell Land does experience a material number of cancellations, it may not have enough funds on hand to pay the necessary cash refunds to buyers or it may have to incur indebtedness in order to pay such cash refunds. In addition, particularly during an economic slowdown or downturn, there can be no assurance that Rockwell Land would be able to re-sell the same property or re-sell it at an acceptable price. Any of the foregoing events would have a material adverse effect on Rockwell Land's business, financial condition and results of operations. Furthermore, in the event that Rockwell Land experiences a material number of sales cancellations, investors are cautioned that Rockwell Land's historical revenues would have been overstated because such historical revenue would not reflect subsequent customer defaults or sales cancellations.

Rockwell Land is exposed to risks relating to the performance of the economies of the countries where its potential customers are based

A portion of the demand for Rockwell Land's projects is from foreigners and Filipinos residing outside of the Philippines, thus, a downturn in the economic performance of the countries and regions where a significant number of these potential customers are located, such as the U.S. and Singapore could adversely affect the demand for Rockwell Land's projects, which could have an adverse effect on Rockwell Land's business, financial condition and results of operations.

While the Company continues to market its products to potential clients abroad, 81% percent of its clients are Filipinos based in the country.

Independent contractors, who may meet Rockwell Land’s quality standards or complete projects on time and within budget, may not be readily available to Rockwell Land

Rockwell Land primarily relies on independent contractors to provide various services, including land clearing and infrastructure development, various construction projects and building and property fit-out works. There can be no assurance that Rockwell Land will be able to find or engage an independent contractor for any particular project or find a contractor that is willing to undertake a particular project within Rockwell Land’s budget, which could result in costs increases or project delays.

Further, although Rockwell Land’s personnel actively supervises the work of such independent contractors, there can be no assurance that the services rendered by any of its independent contractors will always be satisfactory or match Rockwell Land’s requirements for quality. Contractors may also experience financial or other difficulties, and shortages or increases in the price of construction materials may occur, any of which could delay the completion or increase the cost of certain housing and land development projects, and Rockwell Land may incur additional costs as a result thereof. Any of these factors could have a material adverse effect on Rockwell Land’s business, financial condition and results of operations.

The Company continues to carefully select and expand its network of accredited contractors through the process of prequalification prior to any bidding. The Company likewise strictly monitors the development of each project from the planning, design, construction up to the hand over to unit owners. Furthermore, Rockwell Land requires its contractors to provide a performance bond and surety bond to ensure their satisfactory performance in the projects.

Rockwell Land may be liable for construction defects and other building-related claims

The Civil Code makes property developers such as Rockwell Land liable to ensure the structural integrity of the structures they build for a period of 15 years from the date of the completion of the same. Property developers are also liable for hidden defects in the units they sold when such hidden defects render the unit unfit for the use for which it was intended or when its fitness for such use is diminished to the extent that the buyer would not have acquired it or would have paid a lower price had the buyer been aware of the hidden defect. The law gives the buyer six months from the delivery of the unit to enforce the said warranty.

RA 6541 or the National Building Code further makes Rockwell Land and its officials liable for administrative fines or criminal penalties in case of any violation of its provisions with respect to the design and construction of buildings.

Rockwell Land does not make any assurance that it will not be held liable for damages, the cost of repairs, and/or expense of litigation surrounding possible claims or that claims will not arise out of uninsurable events, such as landslides or earthquakes, or circumstances not covered by insurance and not subject to effective indemnification agreements with the contractors of Rockwell Land. Rockwell Land cannot ensure that the contractors it will hire will be able to either correct any such defects or indemnify Rockwell Land for costs incurred by Rockwell Land to correct such defects. A material number of claims arising from structural or construction defects could have a material adverse effect on the reputation, business, financial condition and results of operations of Rockwell Land.

The Company ensures the satisfactory performance of its contractors with careful selection through prequalification prior to any bidding. The Company likewise strictly monitors the development of each project from the planning, design, construction up to the hand over to unit owners. Furthermore, Rockwell Land requires its contractors to provide a performance bond and surety bond to ensure their satisfactory performance in the projects.

Rockwell Land also protects its investments with an all-risk insurance policy for construction.

Rockwell Land may suffer losses that are not covered by its insurance

Rockwell Land may be negatively affected due to the occurrence of typhoons, severe storms, earthquakes, floods, fires or other natural disasters or similar events. Although the Company carries an all-risk insurance policy for all its current and ongoing projects against catastrophic events and business interruption insurance for the Power Plant Mall, in amounts and with deductibles that the Company believes are in line with general real estate industry practice, not all risks are can be insured against. There are losses for which the Company cannot obtain insurance at a reasonable cost or at all. Should an uninsured loss or a loss in excess of insured limits occur, the Company could lose all or a portion of the capital invested in a property, as well as the anticipated future turnover from the property. Any material uninsured loss could materially and adversely affect the Company's business, financial condition and results of operations.

Company relies on third party brokers to sell its condominium projects

Third party brokers who market and sell Rockwell Land projects also act as brokers for other developers in the same markets Rockwell Land operates. Rockwell Land cannot ensure that these brokers will not favor other developers over the interests of Rockwell Land. Rockwell Land's business, financial condition and results of operations and prospects could be adversely affected by the refusal of these third party brokers to sell and/or lease for Rockwell Land.

Rockwell Land has its own in-house sales team as well as programs to maintain and expand its broker network. Rockwell Land also makes its projects attractive so that brokers will prioritize the Company's projects in marketing and offering to prospective buyers.

Rockwell Land's joint venture partner/s may have interests that differ from Rockwell Land's interests and may take actions that adversely affect Rockwell Land

Joint venture partner/s of Rockwell Land may have economic or business interests or goals inconsistent with or different from those of Rockwell Land's. Disputes between Rockwell Land and its joint venture partner/s may arise from joint venture partner/s' actions contrary to Rockwell Land's policies, objectives, instructions or requests. It is likewise possible that the joint venture partner may not be able to meet its obligations due to Rockwell Land. The above-mentioned possibilities may have a material adverse effect on Rockwell Land's results of operations and financial conditions.

Rockwell Land carefully chooses its joint venture partners and ensures proper due diligence and contract management to mitigate such risks.

Rockwell Land shall, at any given time, consider business combination alternatives

Although Rockwell Land's loan covenants contain certain restrictions on business combinations, Rockwell Land can opt to engage in certain types of business combinations. Business combinations involve financial and operational risks and could result in significant changes to Rockwell Land's operations, management and financial condition.

Investors nonetheless are assured that Rockwell Land takes into consideration its existing debt obligations and concomitant debt covenants in making any major business investments or acquisitions. Any financial commitments under such business combinations are evaluated in terms of the inflow of revenues of such projects and their ability to service their own financial requirements once fully operational.

Change in accounting principle for real estate sales (Philippine Interpretation IFRIC 15, Agreements for the Construction of Real Estate) will change the Company's revenue recognition for sale of condominium units

This new 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, which is based on stage of completion. The SEC and the Financial Reporting Standards Council 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 Philippine real estate industry practices is completed. Adoption of this interpretation could result to a change in the revenue recognition of the Company on sale of condominium units and accounting for certain pre-selling costs.

The Company continues to assess the impact of this change in principle to its financial results. In addition, the Company also intends to do more short-turnaround projects to be able to recognize revenues year-on-year even based on completed projects. These short-turnaround projects will allow the Company to have completed projects per year therefore creating a more stable revenue and income stream from development.

Rockwell Land is subject to certain debt covenants

Rockwell Land has certain loan agreements which contain covenants that limit its ability to, among other things:

- Incur additional long-term debt to the extent that such additional indebtedness results in a breach of the required debt-to-equity ratios;
- Materially change its nature of business;
- Merge, consolidate, or dispose of substantially all its assets;
- Encumber, mortgage or pledge some of its assets; and
- Pay out dividends in the event debt payments are in arrears and such debt payment will result in the breach of its required current and debt-to-equity ratios.

Complying with these covenants may cause Rockwell Land to take actions that it otherwise would not take or not take actions that it otherwise would take. Rockwell Land's inability and/or failure to comply with these covenants would cause a default, which, if not waived, could result in the debt becoming immediately due and payable. In the likelihood of this event, Rockwell Land may not be able to repay or refinance such debt on terms that are acceptable to Rockwell Land or at all.

Rockwell Land continues its strategy of compliance with its debt obligations by adopting the necessary internal controls in financial management and adopting good corporate governance policies.

Rockwell Land operates in a regulated environment

Rockwell Land's development of condominium projects is subject to a wide range of government regulations, which, while varying from one locality to another, typically include zoning considerations as well as the requirement to procure a variety of environmental and construction-related permits. In addition, projects located on agricultural land must get clearance from DAR so that the land can be re-classified as non-agricultural land and, in certain cases, tenants occupying agricultural land may have to be relocated at the expense of Rockwell Land.

PD 957 and Batas Pambansa Blg. 220 are the principal statutes covering the development and sale of condominium projects for residential or commercial purposes. HLURB is the administrative agency of the government which enforces laws and regulations on:

- Suitability of the site;
- Road access;

- Necessary facilities;
- Open spaces;
- Water supply;
- Sewage disposal system;
- Electricity supply;
- Length and unit sizes; and
- Construction

Completion of the acquisition of the project site and the developer's financial, technical and administrative capabilities are pre-requisites to the approval of the development plans. Prior approval of the relevant Government unit shall also be required for the alterations of the approved plans that affect significant areas of the projects. Projects permits and any license to sell may be suspended, cancelled or revoked by the HLURB based on its own findings or upon complaint from an interested party. Rockwell Land cannot ensure that it will be able to obtain governmental approvals for its projects or that when given, such approvals will not be revoked.

Rockwell Land is subject to numerous environmental laws and regulations relating to the protection of the environment, human health and human safety. These include laws and regulations governing air emissions, water and waste water discharges, odor emissions and the management and disposal of, and exposure to, hazardous materials.

Developers of environmentally-sensitive projects or other cases at the discretion of the DENR regional office may be required to submit a detailed Environmental Impact Assessment in order to obtain an ECC to certify that the projects will not have an unacceptable environmental impact. Rockwell Land cannot assure its investors that current or future environmental laws and regulations applicable to Rockwell Land will not increase the costs of conducting its business above currently projected levels or require future capital expenditures. Rockwell Land may be required to pay a fine and incur costs for any violation of an ECC or damage or injury to buyers or any third party due to environmental hazards on land where the projects are located.

While Rockwell Land commits to exert efforts to comply with existing rules, regulations and laws governing their operations, it cannot foresee what environmental or health and safety legislation or regulations will be amended or enacted in the future; how existing or future laws or regulations will be enforced, administered or interpreted; or the amount of future expenditures that may be required to comply with these environmental or health and safety laws or regulations or to respond to environmental claims.

Rockwell Land employs several significant employees

Rockwell Land's Board of Directors and management executives are, and continue to be, vital to its successful operations. In the event of their departure, the loss of their intelligence, ability, experience and connections could prove difficult to replace and can cause a decline in the Company's overall performance. If the Company loses the services of any such significant employee and is unable to subsequently fill the resulting vacancy with equally qualified candidates, its business, operations and financial performance may be adversely affected. Please refer to the section entitled "Employees" located on page 80 of this Prospectus.

RISK FACTORS RELATING TO THE PHILIPPINES

The Philippine economy and business environment may be disrupted by political or social instability

The Philippines has from time to time experienced severe political and social instability, including acts of political violence. In 2001, allegations of corruption against former President Joseph Estrada resulted in protracted televised impeachment proceedings against him. These proceedings were followed by widespread street demonstrations and a public withdrawal of support for Estrada by the military that eventually forced Estrada to resign. On July 27, 2003, over 270 military officers and soldiers conducted an unsuccessful coup

d'état against Estrada's successor, President Gloria Macapagal-Arroyo, due to allegations of corruption. After the May 2004 elections, President Arroyo was re-elected and persistent accusations of corruption and electoral fraud were made against Arroyo during her second term. On February 24, 2006, another attempted coup d'état led President Arroyo to issue Proclamation 1017, which was criticized as a virtual declaration of martial law and portions of it were later declared unconstitutional by the Supreme Court of the Philippines. On November 29, 2007, Senator Antonio Trillanes IV, a leader of the 2003 coup d'état who was elected to the Senate while in jail, led an armed occupation by military officers and soldiers of a luxury hotel in the Makati financial district and publicly called for President Arroyo's ouster. Senator Trillanes and his troops later surrendered. On November 23, 2009, in the southern island of Mindanao's Maguindanao province, approximately 100 armed men allegedly affiliated with the Ampatuan political family murdered 58 persons, including members of the Mangudadatu family (the Ampatuans' political rivals in the province), lawyers, journalists and aides accompanying them, and motorists whose vehicles were behind the Mangudadatus' vehicles. The Maguindanao Massacre is considered as the worst election-related violence in Philippine history and the single worst killing of media workers in the world. As such, President Arroyo declared martial law over Maguindanao and deployed hundreds of police and military troops in the area in order to capture the perpetrators of the killings.

On December 12, 2011, the Philippine House of Representatives initiated impeachment proceedings against Renato Corona, Chief Justice of the Supreme Court of the Philippines. The impeachment complaint accused Chief Justice Corona of improperly issuing decisions that favored former President Arroyo, as well as failure to disclose certain properties, in violation of rules applicable to certain Government officials. The trial of Chief Justice Corona began in January 2012. On May 29, 2012, the impeachment court found Corona guilty of failing to disclose to the public his statement of assets, liabilities and net worth and removed Corona from his position as Chief Justice of the Supreme Court of the Philippines. There is no guarantee that future events will not cause political instability in the Philippines. Such instability may disrupt the country and its economy, discourage travel to Metro Manila and could materially and adversely affect the Company's business, financial condition and results of operations.

The credit ratings of the Philippines may adversely affect the Company's business

The sovereign credit ratings of the Government directly and adversely affect companies resident in the Philippines as international credit rating agencies issue credit ratings by reference to that of the sovereign. Moody's Investors Service, Inc. ("Moody's") has placed the Ba1 foreign and local currency long-term bond ratings of the Philippines on review for an upgrade. In May 2013, Standard & Poor's Ratings Group ("Standard & Poor's") raised the Philippines' credit rating from BB+ to BBB-, the minimum investment grade, due to the country's rosy macroeconomic fundamentals amidst global economic problems. Standard & Poor's also assigned a stable outlook on the Philippines' new rating.

No assurance can be given that Moody's, Standard & Poor's or any other international credit rating agency will not, in the future, downgrade the credit ratings of the Government and, consequently, Philippine companies. Any such downgrade could have an adverse impact on the liquidity in the Philippine financial markets, the ability of the Government and Philippine companies, including the Company, to raise additional financing and the interest rates and other commercial terms at which such additional financing will be made available.

Economic instability could have a negative effect on the financial results of the Company

The growth and profitability of Rockwell Land, as any business for that matter, is greatly influenced by the economic situation of the Philippines. Any economic instability in the future may have a negative effect on the financial results of Rockwell Land and the level of dividends paid and distributions made by Rockwell Land.

Over the years, the Philippines has experienced periods of slow or negative growth, high inflation, unforeseen devaluation of the Philippine currency, imposition of exchange controls, debt restructuring and significant rise in oil prices. The Asian financial crisis in 1997 resulted in higher interest rates, slower economic growth, and a significant reduction in the country's credit ratings which ultimately resulted in the depreciation of the Peso.

In order to combat the negative impact of the financial crisis, the government introduced reform measures in the fiscal and banking sectors resulting in improved investor confidence and increased economic activities.

While Rockwell Land shall continue to adopt conservative policies to protect its operations and finances, any deterioration in the economic conditions of the country could affect Rockwell Land's financial condition and operations.

Natural disasters adversely affecting the business of the Company

The Philippines has experienced a significant number of major natural catastrophes over the years, including typhoons, volcanic eruptions and earthquakes.

In 2011 alone, the country was affected by two major typhoons in September and December. Typhoon Pedring in September 2011 submerged certain parts of Manila in floodwaters, leaving major areas without electricity for days. Two months after, tropical typhoon Sendong caused flash floods in the southern islands of Mindanao killing 1,453 people and affecting thousands of others.

Southwest monsoons enhanced by typhoons caused torrential rains in the Luzon area last year. In December 2012, typhoon Pablo caused massive death and destruction in Southern Mindanao, killing 1,067 people and damaged crops and public infrastructure at an estimated ₱7.16 billion.

Just last August, several areas in Luzon were placed under a state of calamity due to the torrential rains brought by a southwest monsoon and enhanced by tropical storm Maring. More than one million people were affected by the weather disturbance, with 9 people killed.

These natural catastrophes will continue to affect the Philippines and the Company may incur losses for such catastrophic events which could materially and adversely affect its business, financial condition and results of operations.

Rockwell Land maintains comprehensive insurance against natural catastrophes to cover its various developments. Please see the sections entitled "Risk Relating to the Company and its Business" with respect to insurance risk, "Insurance Contracts" and "Material Agreements" located in Pages 22, 72 and 81 of this Prospectus.

RISKS RELATING TO THE BONDS

The Company may be unable to redeem the Bonds

At maturity, the Company will be required to redeem all of the Bonds. At that point in time, the Company may not have sufficient cash on hand and may not be able to arrange financing to redeem the Bonds in time, or on acceptable terms, or at all. The ability to redeem the Bonds in such event may also be limited by the terms of other debt instruments. Failure to repay, repurchase or redeem tendered Bonds by the Company would constitute an event of default under the Bonds, which may also constitute a default under the terms of other indebtedness of the Company.

Rockwell Land has a strong and stable business in the Philippines. It has strong recurring cash flows, maintains a healthy debt-equity ratio, and maintains a stable level of liquidity in its statement of financial position. The Company is confident that it can service the interest and redeem the Bonds at maturity and/or seek refinancing facilities.

Liquidity Risk

The Philippine debt securities markets, particularly the market for corporate debt securities, are substantially smaller, less liquid and more concentrated than other securities markets. The Company cannot guarantee whether an active trading market for the Bonds will develop or if the liquidity of Bonds will be sustained throughout its life. Even if the Bonds are listed on the PDEX, trading in securities such as the Bonds may be subject to extreme volatility at times, in response to fluctuating interest rates, developments in local and international capital markets and the overall market for debt securities among other factors. There is no assurance that the Bonds may be easily disposed of at prices and volumes at instances best deemed appropriate by their holders.

Pricing Risk

The market price of the Bonds will be subject to market and interest rate fluctuations, which may result in the investment being appreciated or reduced in value. If market interest rates decrease relative to the Interest Rate of the Bonds, the price of the Bonds, when sold in the secondary market, may increase. Conversely, if market interest rates increase relative to the Interest Rate of the Bonds, the price of the Bonds, when sold in the secondary market, may decrease. Thus, a Bondholder could face possible losses if he decides to sell in the secondary market.

Retention of Ratings Risk

There is no assurance that the rating of the bonds will be retained throughout the life of the Bonds. The rating is not a recommendation to buy, sell, or hold securities and may be subject to revision, suspension, or withdrawal at any time by the assigning rating organization.

Bonds have no Preference under Article 2244(14) of the Civil Code

No other loan or other debt facility currently or to be entered into by the Issuer shall have preference of priority over the Bonds as accorded to public instruments under Article 2244(14) of the Civil Code, and all banks and lenders under any such loans or facilities that are notarized have waived the right to the benefit of any such preference or priority. However, should any bank or Bondholder hereinafter have a preference or priority over the Bonds as a result of notarization, then the Issuer shall at the Issuer's option, either procure a waiver of the preference created by such notarization or equally and ratably extend such preference to the Bonds.

PHILIPPINE TAXATION

The following is a discussion of the material Philippine tax consequences of the acquisition, ownership and disposition of the Bonds. This general description does not purport to be a comprehensive description of the Philippine tax aspects of the Bonds and no information is provided regarding the tax aspects of acquiring, owning, holding or disposing of the Bonds under applicable tax laws of other applicable jurisdictions and the specific Philippine tax consequence in light of particular situations of acquiring, owning, holding and disposing of the Bonds in such other jurisdictions. This discussion is based upon laws, regulations, rulings, and income tax conventions (treaties) in effect at the date of this Prospectus.

The tax treatment of a Bondholder may vary depending upon such Bondholder's particular situation, and certain Bondholders may be subject to special rules not discussed below. This summary does not purport to address all tax aspects that may be important to a Bondholder.

PROSPECTIVE PURCHASERS OF THE BONDS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF A BOND, INCLUDING THE APPLICABILITY AND EFFECT OF ANY LOCAL OR FOREIGN TAX LAWS.

As used in this section, the term "resident alien" refers to an individual whose residence is within the Philippines and who is not a citizen thereof; a "non-resident alien" is an individual whose residence is not within the Philippines and who is not a citizen of the Philippines. A non-resident alien who is actually within the Philippines for an aggregate period of more than 180 days during any calendar year is considered a "non-resident alien doing business in the Philippines," otherwise, such non-resident alien who is actually within the Philippines for an aggregate period of 180 days or less during any calendar year is considered a "non-resident alien not doing business in the Philippines." A "resident foreign corporation" is a non-Philippine corporation engaged in trade or business within the Philippines; and a "non-resident foreign corporation" is a non-Philippine corporation not engaged in trade or business within the Philippines.

TAXATION OF INTEREST

The Tax Code provides that interest-bearing obligations of Philippine residents are Philippine-sourced income subject to Philippine income tax. Interest income derived by Philippine resident individuals from the Bonds is thus subject to income tax, which is withheld at source, at the rate of 20%. Generally, interest on the Bonds received by non-resident foreign individuals engaged in trade or business in the Philippines is subject to a 20% withholding tax while that received by non-resident foreign individuals not engaged in trade or business is taxed at the rate of 25%. Interest income received by domestic corporations and resident foreign corporations is taxed at the rate of 20%. Interest income received by non-resident foreign corporations is subject to a 30% final withholding tax. The tax withheld constitutes a final settlement of Philippine income tax liability with respect to such interest.

The foregoing rates are subject to further reduction by any applicable tax treaties in force between the Philippines and the country of residence of the non-resident owner. Most tax treaties to which the Philippines is a party generally provide for a reduced tax rate of 15% in cases where the interest arises in the Philippines and is paid to a resident of the other contracting state. However, most tax treaties also provide that reduced withholding tax rates shall not apply if the recipient of the interest, who is a resident of the other contracting state, carries on business in the Philippines through a permanent establishment and the holding of the relevant interest-bearing instrument is effectively connected with such permanent establishment.

TAX-EXEMPT STATUS

Bondholders who are exempt from or are not subject to final withholding tax on interest income may claim such exemption by submitting the necessary documents. Said Bondholder shall submit the following requirements to the Registrar, to the Issue Manager or Joint Lead Underwriters (together with their completed Application to Purchase) who shall then forward the same to the Registrar: (i) certified true copy of the tax exemption certificate issued by the BIR; (ii) a duly notarized undertaking, in prescribed form, declaring and warranting its tax-exempt status, undertaking to immediately notify Rockwell Land of any suspension or

revocation of the tax exemption certificate and agreeing to indemnify and hold Rockwell Land free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding of the required tax; and (iii) such other documentary requirements as may be required under the applicable regulations of the relevant taxing or other authorities; provided further that, all sums payable by Rockwell Land to tax-exempt entities shall be paid in full without deductions for taxes, duties, assessments, or government charges, subject to the submission by the Bondholder claiming the benefit of any exemption or reasonable evidence of such exemption to the Registrar.

Bondholders may transfer their Bonds at anytime, regardless of tax status of the transferor vis-à-vis the transferee. Should a transfer between Bondholders of different tax status occur on a day which is not an Interest Payment Date, tax exempt entities trading with non-tax exempt entities shall be treated as non-tax exempt entities for the interest period within which such transfer occurred. Transfers taking place in the Registry of Bondholders after the Bonds are listed on PDEX shall be allowed between non tax exempt and tax-exempt entities without restriction and observing the tax exemption of tax exempt entities, if and/or when so allowed under and in accordance with the relevant rules, conventions and guidelines of PDEX and PDTC.

A Bondholder claiming tax-exempt status is required to submit a written notification of the sale or purchase to the Trustee and the Registrar, including the tax status of the transferor or transferee, as appropriate, together with the supporting documents specified under the Section entitled *"Payment of Additional Amounts; Taxation,"* within three days of such transfer.

VALUE-ADDED TAX

Gross receipts arising from the sale of the Bonds in the Philippines by Philippine-registered dealers in securities and lending investors shall be subject to a 12% value-added tax. The term "gross receipt" means gross selling price less cost of the securities sold.

GROSS RECEIPTS TAX

Bank and non-bank financial intermediaries are subject to gross receipts tax on gross receipts derived from sources within the Philippines in accordance with the following schedule:

On interest, commissions and discounts from lending activities as well as income from financial leasing, on the basis of remaining maturities of instruments from which such receipts are derived:

Maturity period is five years or less	5%
Maturity period is more than five years	1%

In case the maturity period referred above is shortened through pre-termination, then the maturity period shall be reckoned to end as of the date of pre-termination for purposes of classifying the transaction and the correct rate shall be applied accordingly.

Net trading gains realized within the taxable year on the sale or disposition of the Bonds shall be taxed at 7%.

DOCUMENTARY STAMP TAX

A documentary stamp tax is imposed upon the issuance of debentures and certificates of indebtedness issued by Philippine companies, such as the Bonds, at the rate of Php1.00 for each Php200, or fractional part thereof, of the offer price of such debt instruments; provided that, for debt instruments with terms of less than one year, the documentary stamp tax to be collected shall be of a proportional amount in accordance with the ratio of its term in number of days to 365 days.

The documentary stamp tax is collectible wherever the document is made, signed, issued, accepted, or transferred, when the obligation or right arises from Philippine sources, or the property is situated in the Philippines. Any applicable documentary stamp taxes on the original issue shall be paid by Rockwell Land for its own account.

No documentary stamp tax is imposed on the subsequent sale or disposition of the Bonds.

TAXATION ON SALE OR OTHER DISPOSITION OF THE BONDS

Income Tax

The Bondholder will recognize gain or loss upon the sale or other disposition (including a redemption at maturity) of the Bonds in an amount equal to the difference between the amount realized from such disposition and such Bondholder's basis in the Bonds. Such gain or loss is likely to be deemed a capital gain or loss assuming that the Bondholder has held the Bonds as capital assets.

Under the Tax Code, any gain realized from the sale, exchange or retirement of securities, debentures and other certificates of indebtedness with an original maturity date of more than five years (as measured from the date of issuance of such securities, debentures or other certificates of indebtedness) shall not be subject to income tax.

In case of an individual taxpayer, only 50% of the capital gain or loss is recognized upon the sale or exchange of a capital asset if it has been held for more than 12 months.

Any gains realized by non-residents on the sale of the Bonds may be exempt from Philippine income tax under an applicable tax treaty or if they are sold outside the Philippines.

Estate and Donor's Tax

The transfer by a deceased person, whether a Philippine resident or non-Philippine resident, to his heirs of the Bonds shall be subject to an estate tax which is levied on the net estate of the deceased at progressive rates ranging from 5% to 20%, if the net estate is over Php200,000. A Bondholder shall be subject to donor's tax on the transfer of the Bonds by gift at either (i) 30%, where the donee or beneficiary is a stranger, or (ii) at progressive rates ranging from 2% to 15% if the net gifts made during the calendar year exceed Php100,000 and where the donee or beneficiary is other than a stranger. For this purpose, a "stranger" is a person who is not a: (a) brother, sister (whether by whole or half-blood), spouse, ancestor and lineal descendant; or (b) relative by consanguinity in the collateral line within the fourth degree of relationship.

The estate tax and the donor's tax, in respect of the Bonds, shall not be collected (a) if the deceased, at the time of death, or the donor, at the time of the donation, was a citizen and resident of a foreign country which, at the time of his death or donation, did not impose a transfer tax of any character in respect of intangible personal property of citizens of the Philippines not residing in that foreign country; or (b) if the laws of the foreign country of which the deceased or donor was a citizen and resident, at the time of his death or donation, allows a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in the foreign country.

USE OF PROCEEDS

Following the offer and sale of ₱5,000,000,000 of Unsecured Fixed-Rate Peso Retail Bonds, Rockwell Land expects that the net proceeds of the Offering shall amount to approximately ₱4,947,409,375 after fees, commissions and expenses.

Net proceeds from the Offering are estimated to be at least as follows:

	Total
Estimated proceeds from the sale of Bonds	₱5,000,000,000
Less: Estimated expenses	
Documentary Stamp Tax	25,000,000
SEC Registration Fee and Legal Research	1,830,625
SEC Publication Fee	360,000
Underwriting Fee	15,000,000
Legal Fee	2,000,000
Audit Fee	5,000,000
Listing Application Fee	100,000
Printing Cost	575,000
Trustee Fees	50,000
Registry and Paying Agency Fees	75,000
Estimated net proceeds For ₱5.0 Billion Issue	₱4,947,409,375

** Note that the above expenses exclude Gross Receipts Tax and Value Added Tax which are for Rockwell Land's account.*

Aside from the foregoing one-time costs, Rockwell Land expects the following annual expenses related to the Bonds:

- 1) PhilRatings annual monitoring fee ₱450,000
- 2) PDEX annual listing maintenance fee of ₱150,000
- 3) PDTC registration and statement generation fees ₱260,000
- 4) PDTC paying agency fee and credit advices ₱120,000
- 5) MBTC Trust annual maintenance fee of ₱300,000

TIMING AND USE OF PROCEEDS

The ₱5.0 Billion to be raised via this Offering will be used for capital expenditure requirements for the remainder of the year 2013 and year 2014 (please see table below), primarily for the Proscenium development.

These capital expenditure requirements already excludes those projects the funding of which were allocated from the existing ₱10.0 billion corporate notes drawn this year.

In millions	4th Qtr 2013	1st Half 2014	2nd Half 2014	Total
Commercial Leasing	555	205	363	1,123
Residential Development	1,987	2,874	3,523	8,383
Total	2,542	3,079	3,886	9,506

The remaining capital expenditure requirements after the net proceeds from the offering will be funded by internally generated funds from sale made on existing residential projects and recurring income from its leasing operations of the Power Plant Mall and Rockwell Business Center (RBC).

In the event of any substantial deviation or adjustment in the planned use of proceeds, Rockwell Land shall inform the SEC and the Bondholders within 30 days prior to its implementation.

EXPENSES

The estimated fees and expenses relating to the issue are detailed in the table contained in page 31 under this section on "Use of Proceeds". Expenses in the said table include the SEC registration fees, underwriting fees, legal fees, account fees, ratings agency fees, listing fees, marketing and printing and other estimated expenses for the issuance of the Bonds.

DETERMINATION OF OFFER PRICE

The Bonds shall be issued at par, or 100% of the principal amount or face value.

PLAN OF DISTRIBUTION

THE OFFER

On September [20], 2013, Rockwell Land filed a Registration Statement with the SEC, in connection with the offer and sale to the public of debt securities with an aggregate principal amount of up to ₱5,000,000,000. The SEC is expected to issue an order rendering the Registration Statement effective, and a corresponding permit to offer securities for sale covering the Offer.

However, there can be no assurance in respect of: (i) whether Rockwell Land would issue such debt securities at all; (ii) the size or timing of any individual issuance or the total issuance of such debt securities; or (iii) the specific terms and conditions of any such issuance. Any decision by Rockwell Land to offer such debt securities will depend on a number of factors at the relevant time, many of which are not within Rockwell Land's control, including but not limited to: prevailing interest rates, the financing requirements of Rockwell Land's business and prospects, market liquidity and the state of the domestic capital market, and the Philippine, regional and global economies in general.

THE UNDERWRITERS OF THE OFFER

First Metro Investment Corporation and [•], pursuant to an Underwriting Agreement with Rockwell Land executed on [•], have agreed to act as the Joint Lead Underwriters for the Offer and as such, have committed to: (i) distribute and sell the Bonds at the Offer Price, and (ii) underwrite up to ₱5,000,000,000 on a firm basis, and in either case, subject to the satisfaction of certain conditions and in consideration of certain fees and expenses.

First Metro Investment Corporation is the sole Issue Manager for this transaction.

The Joint Lead Underwriters will receive a fee of up to [•] basis points ([•]%) on the underwritten principal amount of the Bonds issued. There will be no discounts or other commissions paid or to be paid, directly or indirectly, to the Joint Lead Underwriters.

The amounts of the commitments of the commitments of each Joint Lead Underwriter are as follows:

First Metro Investment Corporation	₱[•]
[•]	₱[•]
Total	₱5,000,000,000

[The underwriting fee of each underwriter is in proportion to its underwriting commitment.] There is no arrangement for the Joint Lead Underwriter to return to Rockwell Land any unsold Bonds. The Underwriting Agreement may be terminated in certain circumstances prior to payment of the net proceeds of the Bonds being made to Rockwell Land.

The Joint Lead Underwriters are duly licensed by the SEC to engage in underwriting or distribution of the Bonds. The Joint Lead Underwriters may, from time to time, engage in transactions with and perform services in the ordinary course of its business for Rockwell Land or other members of the Lopez Group of which Rockwell Land forms a part.

None of the Joint Lead Underwriters has any relation to Rockwell Land in terms of ownership and has any right to designate or nominate member(s) of the Board of Directors of Rockwell Land.

SALE AND DISTRIBUTION

The distribution and sale of the Bonds shall be undertaken by the Joint Lead Underwriters who shall sell and distribute the Bonds to third party buyers/investors. Nothing herein shall limit the rights of the Joint Lead Underwriters from purchasing the Bonds for their own respective accounts.

There are no persons to whom the Bonds are allocated or designated. The Bonds shall be offered to the public at large and without preference.

The obligations of each of the Joint Lead Underwriters will be several, and not solidary, and nothing in the Underwriting Agreement shall be deemed to create a partnership or joint venture between and among any of the Joint Lead Underwriters. Unless otherwise expressly provided in the Underwriting Agreement, the failure by an underwriter to carry out its obligations thereunder shall neither relieve the other underwriters of their obligations under the same Underwriting Agreement, nor shall any underwriter be responsible for the obligation of another underwriter.

TERM OF APPOINTMENT

The engagements of the Joint Lead Underwriters, as well as the Issue Manager shall subsist so long as the SEC permit remains valid, unless otherwise terminated by Rockwell Land, the Issue Manager and the Joint Lead Underwriters.

MANNER OF DISTRIBUTION

The Joint Lead Underwriters shall, at their discretion, determine the manner by which proposals for subscriptions to, and issuances of, Bonds shall be solicited, with the primary sale of Bonds to be effected only through the Joint Lead Underwriters.

OFFER PERIOD

The Offer Period shall commence at 9:00 a.m. on [●] and end at 12 noon on [●] or such earlier day or later day as may be determined by Rockwell Land, the Issue Manager and the Joint Lead Underwriters.

APPLICATION TO PURCHASE

Applicants may purchase the Bonds during the Offer Period by submitting to the Joint Lead Underwriters a properly completed Application to Purchase, together with two (2) signature cards, and the full payment of the purchase price of the Bonds in the manner provided therein. Corporate and institutional applicants must also submit, in addition to the foregoing, a copy of their SEC Certificate of Registration of Articles of Incorporation and By-Laws, Articles of Incorporation, By-Laws, and the appropriate authorization by their respective boards of directors and/or committees or bodies authorizing the purchase of the Bonds and designating the authorized signatory(ies) thereof. Individual applicants must also submit, in addition to the foregoing, a clear signature bearing and photo-bearing copy of any one of the following government issued identification cards ("ID"): tax identification number (TIN), passport/driver's license/postal ID, SSS/GSIS ID and/or Senior Citizen's ID.

A corporate and institutional investor who is exempt from or is not subject to withholding tax shall be required to submit the following requirements to the Registrar, subject to acceptance by Rockwell Land as being sufficient in form and substance:

- (i) a certified true copy of the tax exemption certificate, ruling or opinion issued by the Bureau of Internal Revenue addressed to the applicant confirming the exemption or preferential rate and certified by an authorized officer of the applicant as being a true copy of the original on file with the applicant;
- (ii) a duly notarized undertaking, in the prescribed form, declaring and warranting the applicant's tax exempt status, undertaking to immediately notify the Issuer and the Registrar of any suspension or revocation of the tax exemption certificates and agreeing to indemnify and hold the Issuer and the Registrar and Paying Agent free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding of the required tax; and

- (iii) such other documentary requirements as may be required under the applicable regulations of the relevant taxing or other authorities, provided further, that all sums payable by the Issuer to tax exempt entities shall be paid in full without deductions for taxes, duties assessments or government charges subject to the submission by the Bondholder claiming the benefit of any exemption of reasonable evidence of such exemption to the Registrar.

Completed Applications to Purchase and corresponding payments must reach the Joint Lead Underwriters prior to the end of the Offer Period, or such earlier date as may be specified by the Joint Lead Underwriters. Acceptance by the Joint Lead Underwriters of the completed Application to Purchase shall be subject to the availability of the Bonds and the acceptance by Rockwell Land. In the event that any check payment is returned by the drawee bank for any reason whatsoever, the Application to Purchase shall be automatically canceled and any prior acceptance of the Application to Purchase is deemed revoked.

MINIMUM PURCHASE

A minimum purchase of Fifty Thousand Pesos (₱ 50,000) shall be considered for acceptance. Purchases in excess of the minimum shall be in integral multiples of Ten Thousand Pesos (₱ 10,000).

ALLOTMENT OF THE BONDS

If the Bonds are insufficient to satisfy all Applications to Purchase, the available Bonds shall be allotted in accordance with the chronological order of submission of properly completed and appropriately accomplished Applications to Purchase on a first-come, first-served basis, without prejudice and subject to Rockwell Land's exercise of its right of rejection.

ACCEPTANCE OF APPLICATIONS

Rockwell Land, together with the Joint Lead Underwriters reserve the right to accept or reject applications to subscribe in the Bonds, and in case of oversubscription, allocate the Bonds available to the applicants in a manner they deem appropriate. If any application is rejected or accepted in part only, the application money or the appropriate portion thereof will be returned without interest to such applicant through the relevant Joint Lead Underwriters with whom such application to purchase the Bonds was made.

PAYMENTS

The Paying Agent shall open and maintain a Payment Account, which shall be operated solely and exclusively by said Paying Agent in accordance with the Registry and Paying Agency Agreement, provided that beneficial ownership of the Payment Account shall always remain with the Bondholders. The Payment Account shall be used exclusively for the payment of the relevant interest and principal on each Payment Date.

The Paying Agent shall maintain the Payment Account for six (6) months from Maturity Date or date of early redemption. Upon closure of the Payment Account, any balance remaining in such Payment Account shall be returned to the Company and shall be held by the Company in trust and for the irrevocable benefit of the Bondholders with unclaimed interest and principal payments, at the latter's risk.

PURCHASE AND CANCELLATION

Rockwell Land may purchase the Bonds at any time in the open market or by tender or by contract at any price without any obligation to make pro-rata purchases from all Bondholders. Bonds so purchased shall be redeemed and cancelled and may not be re-issued. Upon listing of the Bonds on PDEX, the Issuer shall disclose any such transactions in accordance with the applicable PDEX disclosure rules.

REGISTRY OF BONDHOLDERS

The Bonds shall be issued in scripless form and shall be registered in the Registry of Bondholders maintained by the Registrar. A Master Certificate of Indebtedness representing the Bonds sold in the Offer shall be issued to and registered in the name of the Trustee, on behalf of the Bondholders.

Legal title to the Bonds shall be shown in the Registry of Bondholders to be maintained by the Registrar. Initial placement of the Bonds and subsequent transfers of interests in the Bonds shall be subject to applicable Philippine selling restrictions prevailing from time to time. Rockwell Land will cause the Registry of Bondholders to be kept at the specified office of the Registrar. The names and addresses of the Bondholders and the particulars of the Bonds held by them and of all transfers of Bonds shall be entered into the Registry of Bondholders. Transfers of ownership shall be effected through book-entry transfers in the Registry of Bondholders.

DESCRIPTION OF THE BONDS

The following does not purport to be a complete listing of all the rights, obligations or privileges of the Bonds. Some rights, obligations or privileges may be further limited or restricted by other documents. Prospective Bondholders are enjoined to carefully review the Articles of Incorporation, By-Laws and resolutions of the Board of Directors and Shareholders of Rockwell Land, the information contained in this Prospectus, the Trust Indenture, Underwriting Agreement, and other agreements relevant to the Offer. Prospective Bondholders are likewise encouraged to consult their legal counsels and accountants in order to be better advised of the circumstances surrounding the issued Bonds.

The Board of Directors of Rockwell Land authorized, through a resolution passed and approved on September 19, 2012, the issuance of up to ₱ 5,000,000,000 principal amount of Unsecured Fixed-Rate Retail Peso Bonds at [●] per annum. The Bonds shall be constituted by a Trust Indenture executed on [●] between Rockwell Land and MBTC Trust (the "Trustee"), which Trustee shall, wherever the context permits, include all other persons or companies acting and recognized as trustee or trustees under the said Trust Indenture. The Bonds are also subject to the terms and conditions of a Registry and Paying Agency Agreement executed on [●] between Rockwell Land and PDTC. The description of and the terms and conditions of the Bonds as set out below is subject to the detailed provisions of the Trust Indenture and the Registry and Paying Agency Agreement.

The Bonds shall mature seven (7) years and one (1) quarter from the Issue Date or on [●], unless earlier redeemed by Rockwell Land pursuant to the terms thereof and subject to the provisions on redemption and payment as detailed below.

Copies of the Trust Indenture and the Registry and Paying Agency Agreement are available for inspection during normal business hours at the specified offices of the Trustee and the Registrar. The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Indenture and are deemed to have notice of those provisions of the Registry and Paying Agency Agreement applicable to them.

The Bonds shall be offered and sold through a public offering in the Philippines. The Bonds shall be issued in minimum principal amounts of Fifty Thousand Pesos (₱50,000) and in multiples of Ten Thousand Pesos (₱10,000) thereafter, and shall be traded in denominations of Ten Thousand Pesos (₱10,000) in the secondary market.

The Registrar and Paying Agent has no interest in or relation to Rockwell Land which may conflict with its role as registrar and paying agent for the Offer. The Trustee has no interest in or relation to Rockwell Land which may conflict with the performance of its functions as trustee for the Bonds, nor does it have any relation to or interest in the Issue Manager and Joint Lead Underwriters.

1. Form, Denomination and Title

(a) Form and Denomination

The Bonds are in scripless form, and shall be issued in denominations of Fifty Thousand Pesos (₱50,000) each as a minimum and in integral multiples of Ten Thousand Pesos (₱10,000) thereafter and traded in denominations of Ten Thousand Pesos (₱10,000) in the secondary market.

(b) Title

Legal title to the Bonds shall be shown in the Registry of Bondholders maintained by the Registrar. A notice confirming the principal amount of the Bonds purchased by each applicant in the Offering shall be issued by the Registrar to all Bondholders following the Issue Date. Upon any assignment, title to the Bonds shall pass by recording of the transfer from the transferor to the transferee in the Registry of Bondholders maintained by the Registrar. Settlement with respect to such transfer or change of title to the Bonds, including the settlement of any cost arising from such transfers, including, but not limited to, documentary stamps taxes, if any, arising from subsequent transfers, shall be for the account of the relevant Bondholder.

(c) Bond Rating

PhilRatings has assigned a [•] rating to Rockwell Land's proposed issuance of the Bonds, having considered Rockwell Land's business plans, growth prospects and cashflow. PhilRatings' ratings are based on available information and projections at the time that the rating review is on-going. PhilRatings shall continuously monitor developments relating to Rockwell Land and may change the rating at any time, should circumstances warrant a change.

The rating is subject to regular annual reviews, or more frequently as market developments may dictate, for as long as the Bonds are outstanding. After Issue Date, the Trustee shall likewise monitor compliance by the Issuer with certain covenants in relation to the Bonds through regular annual reviews.

2. Transfer of Bonds

(a) *Registry of Bondholders*

Rockwell Land shall cause the Registry of Bondholders to be kept by the Registrar, in electronic form. The names and addresses of the Bondholders and the particulars of the Bonds held by them and all transfers of Bonds shall be entered in the Registry of Bondholders. As required by Circular No. 428-04 issued by the BSP, the Registrar shall send each Bondholder a written statement of registry holdings at least quarterly (at the cost of the Issuer), and a written advice confirming every receipt or transfer of the Bonds that is effected in the Registrar's system. Such statement of registry holdings shall serve as the confirmation of ownership of the relevant Bondholder as of the date thereof. Any and/or all requests of Bondholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting Bondholder. No transfer of Bonds may be made during the period commencing on a Record Date as defined in the section on "Interest Payment Date."

(b) *Transfers; Tax Status*

Bondholders may transfer their Bonds at any time, regardless of tax status of the transferor vis-à-vis the transferee. Should a transfer between Bondholders of different tax status occur on a day which is not an Interest Payment Date, tax-exempt entities trading with non-tax-exempt entities shall be treated as non-tax-exempt entities for the interest period within which such transfer occurred. Transfers taking place in the Registry of Bondholders after the Bonds are listed on PDEX shall be allowed between non-tax-exempt and tax-exempt entities without restriction and observing the tax exemption of tax-exempt entities, if and/or when so allowed under and in accordance with the relevant rules, conventions and guidelines of PDEX and PDTC. A Bondholder claiming tax-exempt status is required to submit a written notification of the sale or purchase to the Trustee and the Registrar, including the tax status of the transferor or transferee, as appropriate, together with the supporting documents specified below under "*Payment of Additional Amounts; Taxation*", within three days of such transfer.

(c) *Secondary Trading of the Bonds*

Rockwell Land intends to list the Bonds in PDEX for secondary market trading. Secondary market trading and settlement in PDEX shall follow the applicable PDEX rules, conventions and guidelines, including rules, conventions and guidelines governing trading and settlement between Bondholders of different tax status, and shall be subject to the relevant fees of PDEX and PDTC.

3. Ranking

The Bonds constitute direct, unconditional, unsecured and unsubordinated Peso denominated obligations of the Issuer and shall rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, other than obligations preferred by the law.

4. Interest

(a) *Interest Payment Dates*

The Bonds bears interest on its principal amount from and including Issue Date at the rate of [●]% p.a., payable quarterly in arrears, commencing on [●] as the first Interest Payment Date, and on [●], [●],[●], and [●] of each year following the first Interest Payment Date, or the subsequent Business Day without adjustment to the amount of interest to be paid, if such Interest Payment Date is not a Business Day.

For purposes of clarity, the last Interest Payment Date on the Bonds shall fall on the Maturity Date or [●] or seven (7) years and one (1) quarter from the Issue Date.

The cut-off date in determining the existing Bondholders entitled to receive the interest or principal amount due shall be the second (2nd) Business Day immediately preceding the relevant Interest Payment Date (the "Record Date"), which shall be the reckoning day in determining the Bondholders entitled to receive interest, principal or any other amount due under the Bonds. No transfers of the Bonds may be made during this period intervening between and commencing on the Record Date and the relevant Interest Payment Date.

(b) *Interest Accrual*

Each Bond shall cease to bear interest from and including the Maturity Date, as defined in the discussion on "Final Redemption", below, unless, upon due presentation, payment of the principal in respect of the Bond then outstanding is not made, is improperly withheld or refused, in which case the Penalty Interest (see "Penalty Interest" below) shall apply.

(c) *Determination of Interest Amount*

The interest shall be calculated on the basis of a 30/360-day basis, consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of 30 days.

5. Redemption and Purchase

(a) *Optional Redemption*

Prior to the Maturity Date, the Issuer may redeem in whole, but not in part, the outstanding Bonds on the following dates: (i) the twenty first (21st) Interest Payment Date or five (5) years and one (1) quarter from the Issue Date; and (ii) the twenty fifth (25th) Interest Payment Date or six (6) years and one (1) quarter from the Issue Date (each an "Optional Redemption Date"). The Issuer shall give not less than thirty (30) nor more than sixty (60) days prior written notice of its intention to redeem the Bonds, which notice shall be irrevocable and binding upon the Issuer to effect such early redemption of the Bonds on the Optional Redemption Date stated in such notice.

The amount payable to the Bondholders in respect of an Optional Redemption exercise shall be calculated, based on the principal amount of the Bonds being redeemed, as the sum of (i) accrued interest computed from the last Interest Payment Date up to the relevant Optional Redemption Date; and (ii) the product of the principal amount of the Bonds being redeemed and the Optional Redemption Price in accordance with the following schedule:

Optional Redemption Date	Optional Redemption Price
Five (5) years and One (1) quarter from the Issue Date	102%
Six (6) years and One (1) quarter from the Issue Date	101%

(b) *Final Redemption*

Unless previously purchased and cancelled, the Bonds shall be redeemed at par, or 100% of face value on

[●Maturity Date]. However, if the Maturity Date is not a Business Day, payment of all amounts due on such date will be made by the Issuer through the Paying Agent, without adjustment in computation as to the amount of interest payable, on the succeeding Business Day.

(c) *Redemption for Tax Reasons*

If payments under the Bonds become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on the Issue Date as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem the Bonds in whole, but not in part, on any Interest Payment Date (having given not more than 60 nor less than 30 days' notice to the Trustee and the Registrar) at par or 100% of face value plus accrued interest computed up to the date when the Bonds shall be redeemed earlier than its Maturity Date.

(d) *Change in Law or Circumstance*

If any provision of the Trust Indenture or any of the related documents is or shall become for any reason, invalid, illegal or unenforceable to the extent that it shall become, for any reason, unlawful for the Issuer to give effect to its rights or obligations hereunder, or to enforce any provisions of the Trust Indenture or any of the related documents in whole or in part, or any law shall be introduced to prevent or restrain the performance by the parties hereto of their obligations under the Trust Indenture or any other related documents, such event shall be considered as change in law or circumstance ("Change in Law") in reference to the obligations of the Issuer and to the rights and interests of the Bondholders under the Trust Indenture and the Bonds.

In the event that the Issuer shall invoke the foregoing as a Change in Law, the Issuer shall provide the Trustee an opinion of legal counsel confirming the foregoing, such legal counsel being reasonably acceptable to the Trustee. Thereupon, the Trustee, upon notice to the Issuer, shall declare the principal amount of the Bonds, including all accrued interest and other chargers thereon, if any, to be immediately due and payable, and upon such declaration, the same shall be immediately due and payable without and pre-payment penalty, notwithstanding anything in the Trust Indenture and other related documents to the contrary.

(e) *Purchase and Cancellation*

The Issuer may at any time purchase any of the Bonds at any price in the open market or by tender or by contract at any price, without any obligation to purchase Bonds pro-rata from all Bondholders, and the Bondholders shall not be obligated to sell. Any Bonds so purchased shall be redeemed and cancelled and may not be re-issued.

6. Payments

The principal of, interest on, and all other amounts payable on the Bonds shall be paid by Rockwell Land through the Paying Agent to the Bondholders by crediting the settlement accounts designated by each of the Bondholders. The principal of, and interest on, the Bonds shall be payable in Philippine Pesos. Rockwell Land shall ensure that so long as any of the Bonds remains outstanding, there shall at all times be a Paying Agent for the purposes of the Bonds. In the event the Paying Agent shall be unable or unwilling to continue to act as such, Rockwell Land shall appoint a qualified financial institution in the Philippines authorized to act in its place. The Paying Agent may not resign its duties or be removed without a successor having been appointed.

7. Payment of Additional Amounts - Taxation

Interest income on the Bonds is subject to a final withholding tax at rates ranging from 20% to 30% depending on the tax status of the relevant Bondholder under relevant law, regulation or tax treaty. Except for such final withholding tax and as otherwise provided, all payments of principal and interest are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of Republic of the Philippines, including, but not limited to, issue, registration or any similar tax or other taxes and duties, including interest and penalties, if any. If such taxes or duties are imposed, the same shall be for the account of Rockwell Land; provided however that, Rockwell Land shall not be liable for the

following:

- (a) Income tax on any gain by a holder of the Bonds realized from the sale, exchange or retirement of the Bonds.
- (b) The applicable final withholding tax on interest earned on the Bonds prescribed under the National Internal Revenue Code of 1997, as amended and its implementing rules and regulations as maybe in effect from time to time (the "Tax Code"). An investor who is exempt from the aforesaid withholding tax, or is subject to a preferential withholding tax rate shall be required to submit the following requirements to the Registrar, subject to acceptance by Rockwell Land as being sufficient in form and substance: (i) certified true copy of the tax exemption certificate, ruling or opinion issued by the BIR confirming the exemption or preferential rate; (ii) a duly notarized undertaking, in the prescribed form, declaring and warranting its tax exempt status or preferential rate entitlement, undertaking to immediately notify Rockwell Land of any suspension or revocation of the tax exemption certificates or preferential rate entitlement, and agreeing to indemnify and hold Rockwell Land and the Registrar free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding of the required tax; and (iii) such other documentary requirements as may be required under the applicable regulations of the relevant taxing or other authorities which for purposes of claiming tax treaty withholding rate benefits, which shall include evidence of the applicability of a tax treaty and consularized proof of the Bondholder's legal domicile in the relevant treaty state, and confirmation acceptable to Rockwell Land that the Bondholder is not doing business in the Philippines; provided further that, all sums payable by Rockwell Land to tax exempt entities shall be paid in full without deductions for taxes, duties assessments or government charges subject to the submission by the Bondholder claiming the benefit of any exemption of reasonable evidence of such exemption to the Registrar;
- (c) Gross Receipts Tax under Section 121 of the Tax Code;
- (d) Taxes on the overall income of any securities dealer or Bondholder, whether or not subject to withholding; and
- (e) Value Added Tax ("VAT") under Sections 106 to 108 of the Tax Code, and as amended by Republic Act No. 9337.

Documentary stamp tax for the primary issue of the Bonds and the execution of the Trust Indenture and other related documents, if any, shall be for Rockwell Land's account.

8. Financial Covenants

- (a) Rockwell Land shall maintain a Debt-to-Equity Ratio of not more than 2.00:1.00. Debt-to-Equity ratio is computed as total Financial Indebtedness divided by Total Equity.
- (b) Rockwell Land shall maintain a minimum Current Ratio of [1.00:1.00]. Current Ratio means the ratio of Current Assets to Current Liabilities.
- (c) Rockwell Land shall maintain a Debt Service Coverage Ratio of not less than [1.00:1.00]. Debt Service Coverage Ratio means the ratio of EBITDA to total Debt Service by reference to the immediately preceding twelve (12) months.

“Current Assets” represents cash, receivables, inventories and other assets that are likely to be converted into cash, sold, exchanged, or expensed in the normal course of business within one (1) year.

“Current Liabilities” represents debt, payables, or other obligations that are coming due within one (1) year.

“Debt Service” means all amounts payable by Rockwell Land under any Financial Indebtedness, including all principal, interest, fees, commissions, costs and expenses.

“EBITDA” represents net income after adding provisions for income tax, depreciation and amortization and interest expense.

“Financial Indebtedness” means any outstanding indebtedness of Rockwell Land and/ or any or all of its subsidiaries for or in respect of:

- (i) monies borrowed, which, in accordance with GAAP, shall be treated as loans payable, notes payable, bonds payable, or other similar borrowing;
- (ii) any amount raised by acceptance under any acceptance credit facility;
- (iii) any obligation in respect of a standby or documentary letter of credit or any other similar instrument issued by a bank or financial institution;
- (iv) receivables sold or discounted other than receivables to the extent they are sold on a non-recourse basis;
- (v) any amount of any liability (other than trade accounts payable, accrued expenses, and unearned revenues) under an advance or deferred purchase agreement if one of the primary reasons behind entering into that agreement is to raise finance or that agreement is in respect of the supply of assets or services;
- (vi) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease;
- (vii) any currency swap, or interest rate swap, cap or collar arrangement or any other derivative instrument;
- (viii) any amount raised by the issue of redeemable shares or preferred shares;
- (ix) any amount raised under any other transaction having the commercial effect of a borrowing; and/or
- (x) Any guarantee or indemnity or other assurance against financial loss of any person.

“Total Equity” means equity attributable to equity holders of the Company (excluding minority interest in a consolidated subsidiary).

9. Negative Pledge

For as long as any of the Bonds remain outstanding, Rockwell Land covenants that it shall not, without the prior written consent of the Majority Bondholders, permit any indebtedness for borrowed money to be secured by or to benefit from Security in favor of any creditor or class of creditors without providing the Bondholders with the same kind or class of Security, the benefit of which is extended equally and ratably among them to secure the Bonds; provided however that, this restriction shall not prohibit the following:

- (a) Any Security over any asset, including, but not limited to assets purchased, leased, or developed in the ordinary course of business, to secure: (i) the payment of the purchase price or cost of leasehold rights of such asset; or (ii) the payment of the cost and expenses for the development of such asset pursuant to any development made or being made by Rockwell Land in the ordinary course of business; or (iii) the payment of any indebtedness in respect of borrowed money (including extensions and renewals thereof and replacements therefor) incurred for the purpose of financing the purchase, lease or development of such asset; or (iv) the normal rediscounting of receivable activities of Rockwell Land made in the ordinary course of business.
- (b) Any Security created for the purpose of paying current Taxes, assessments or other governmental charges which are not delinquent or remain payable without any penalty; or the validity of which is contested in good faith in appropriate proceedings upon stay of execution of the enforcement thereof and adequate reserves having been provided for the payment thereof.
- (c) Any Security to secure, in the normal course of the business of Rockwell Land or its Affiliates: (i) statutory or regulatory obligations; (ii) surety or appeal bonds; (iii) bonds for release of attachment, stay of execution or injunction; or (iv) performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases.
- (d) Any Security: (i) imposed by law, such as carrier’s, warehousemen’s, mechanics’ liens and other similar liens arising in the ordinary course of business and not material in amount; (ii) arising out of pledge or deposits under the workmen’s compensation laws, unemployment insurance, old age pensions or other social security or retirement benefits or similar legislation; and (iii) arising out of set-off provisions in the normal course of its financing arrangements; provided that, the Bondholders hereunder shall also have to the extent permitted by applicable law, and upon notice to Rockwell Land, a similar right of set- off.
- (e) Any Security in favor of banks, insurance companies, other financial institutions and Philippine government agencies, departments, authorities, corporations or other juridical entities, which secure a preferential financing obtained by Rockwell Land under a governmental program under which creation of a security is a prerequisite in order to obtain such financing, and which cover assets of Rockwell Land which have an aggregate appraised value, determined in accordance with generally accepted appraisal principles and practices consistently applied not exceeding six percent (6%) of Rockwell Land’s total assets based on the most recent interim financial statements.
- (f) Any Security established in favor of insurance companies and other financial institutions in compliance with the applicable requirements of the Office of the Insurance Commission on admitted assets.
- (g) Any Security existing on the date of the Trust Indenture which is disclosed in writing by Rockwell Land to the Trustee prior to the execution of the Trust Indenture.
- (h) Any Security to be constituted on the assets of Rockwell Land after the date of the Trust Indenture which is disclosed in writing by Rockwell Land to the Trustee prior to the execution of the Trust Indenture and any with an aggregate loan accommodation not exceeding the equivalent of five percent (5%) of the market value of the consolidated assets of Rockwell Land as reflected in the latest appraisal report submitted by an independent and reputable appraiser.

10. Events of Default

Rockwell Land shall be considered in default under the Bonds and the Trust Indenture in case any of the following events (each an "Event of Default") shall occur and is continuing:

(a) *Payment Default*

Rockwell Land fails to pay when due and payable any amount which Rockwell Land is obliged to pay to the Bondholders under the Trust Indenture and the Bonds in the manner, at the place, and in the currency in which it is expressed to be payable.

(b) *Representation/Warranty Default*

Any representation and warranty of Rockwell Land hereof or any certificate or opinion submitted pursuant hereto proves to have been untrue, incorrect or misleading in any material respect as and when made, and the circumstances which cause such representation or warranty to be incorrect or misleading continue for not less than seven (7) days (or such longer period as the Majority Bondholders shall approve) after receipt of written notice from the Bondholders, through the Trustee, to that effect.

(c) *Other Default*

Rockwell Land fails to perform or violates any other provision, term of the Trust Indenture and the Bonds, and such failure or violation is not remediable or, if remediable, continues to be unremedied after the applicable grace period, or in the absence of such grace period, after thirty (30) days from the date of occurrence of the said violation; provided that, an Event of Default constituting a payment default, expropriation, insolvency or closure default, or a violation of a negative covenant shall not be remediable.

(d) *Cross Default*

Rockwell Land and/or any of its Subsidiaries/Affiliate fails to pay or defaults in the payment of any installment of the principal or interest, or fails to comply or commits a breach or violation of any term, condition or stipulation, of any other agreement, contract or document with its lenders or any third party to which Rockwell Land is a party or privy or under which the Issuer acts as a guarantor or surety, including any agreement similar or analogous thereto, whether executed prior to or after the Issue Date, if the effect of the failure to observe or perform such term, covenant or agreement is to cause such obligation to become due prior to its stated maturity.

(e) *Insolvency Default*

Rockwell Land or any of its Subsidiaries becomes insolvent or unable to pay its debts when due or commits or permits any act of bankruptcy, which term shall include, but shall not be limited to: (i) filing of a petition in any bankruptcy, reorganization (other than a labor or management reorganization), winding-up, suspension of payment or liquidation proceeding, or any other proceeding analogous in purpose and effect; (ii) lawful appointment of a trustee or receiver of all or a substantial portion of its properties, unless contested in good faith by Rockwell Land in appropriate proceedings; (iii) making of an assignment for the benefit of its creditors; (iv) the admission in writing by Rockwell Land of its inability to pay its debts; or (v) the entry of any order or judgment of any court, tribunal or administrative agency or body confirming the bankruptcy or insolvency of Rockwell Land or approving any reorganization (other than a labor or management reorganization), winding-up, liquidation or appointment of trustee or receiver of Rockwell Land or a substantial portion of its property or assets.

(f) *Closure Default*

Rockwell Land voluntarily suspends or ceases operations of a substantial portion of its business for a continuous period of thirty (30) calendar days, except in the case of strikes or lockouts or when necessary to prevent business losses or when due to fortuitous events or force majeure.

(g) *Expropriation Default*

The Republic of the Philippines or any competent authority thereof takes any action to suspend the

whole or the substantial portion of the operations of Rockwell Land and to condemn, seize, nationalize or appropriate (either with or without compensation) Rockwell Land or any material portion of its properties or assets, unless such act, deed or proceedings are contested in good faith by Rockwell Land.

(h) *Cancellation of Licenses, Permits, etc.*

Any of the licenses, permits, rights, options, or privileges presently or hereafter enjoyed, utilized or required in the conduct of the business or operations of Rockwell Land shall be revoked, cancelled, or otherwise terminated, or the free and continued use and exercise thereof shall be curtailed or prevented, in each case in such manner as to materially and adversely affect the ability of Rockwell Land to meet its obligations under the Trust Indenture and the Bonds, or any similar events that occur which materially and adversely affect the ability of Rockwell Land to meet its obligations under the Trust Indenture and the Bonds.

(i) *Judgment Default*

Any final judgment, decree or arbitral award for the sum of money, damages or for a fine or penalty in excess of ₱500,000,000 or its equivalent in any other currency is entered against Rockwell Land and the enforcement of which is not stayed, and is not paid, discharged or duly bonded within thirty (30) calendar days after the date when payment of such judgment, decree or award is due under the applicable law or agreement.

(j) *Writ and Similar Process Default*

Any judgment, writ, warrant of attachment, injunction, stay order, execution or similar process shall be issued or levied against any material part of Rockwell Land's assets, business or operations and such judgment, writ, warrant or similar process shall not be released, vacated or fully bonded within thirty (30) calendar days after its issue or levy.

(k) *Non-Payment of Taxes*

Non-payment of any Taxes, or any assessments or governmental charges levied upon it or against its properties, revenues and assets by the date on which such Taxes, assessments or charges attached thereto, which are not contested in good faith by Rockwell Land, or after the lapse of any grace period that may have been granted to Rockwell Land by the BIR or any other Philippine tax body or authority

11. Consequences of Default

Subject to the terms of the Trust Indenture, the Trustee shall, within ten (10) Business Days after receiving notice, or having knowledge of, the occurrence of any Event of Default, give to the Bondholders written notice of such default known to it unless the same shall have been cured before the giving of such notice.

The written notice required to be given to the Bondholders hereunder shall be published in a newspaper of general circulation in Metro Manila for two (2) consecutive days, further indicating in the published notice that the Bondholders or their duly authorized representatives may obtain any information relating to such occurrence of an Event of Default at the principal office of the Trustee upon presentation of sufficient and acceptable identification.

If any one or more of the Events of Default shall have occurred and be continuing without the same being cured within the periods provided in the Trust Indenture and in these Terms and Conditions, the Trustee may on its own, or, if upon the written direction of the Majority Bondholders, shall, by notice in writing delivered to Rockwell Land, with a copy furnished the Paying Agent, Receiving Bank, and Registrar, declare the principal amount of the Bonds, including all accrued interest and other charges thereon, if any, to be immediately due and payable (the "Accelerated Amounts"), and upon such declaration the same shall be immediately due and payable.

All the unpaid obligations under the Bonds, including accrued interest, and all other amounts payable thereunder, shall be declared to be forthwith due and payable, whereupon all such amounts shall become and be forthwith due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by Rockwell Land.

12. Notice of Default

The Trustee shall, within ten (10) days after the occurrence of any Event of Default, give to the Bondholders written notice of such default known to it, unless the same shall have been cured before the giving of such notice; provided that, in the case of payment default under Section 10 above, the Trustee shall immediately notify the Bondholders upon the occurrence of such payment default. The existence of a written notice required to be given to the Bondholders hereunder shall be published in a newspaper of general circulation in the Philippines for two consecutive days, further indicating in the published notice that the Bondholders or their duly authorized representatives may obtain an important notice regarding the Bonds at the principal office of the Trustee upon presentment of sufficient and acceptable identification.

13. Penalty Interest

In case any amount payable by Rockwell Land under the Bonds, whether for principal, interest, fees due to Trustee or Registrar or otherwise, is not paid on due date, Rockwell Land shall, without prejudice to its obligations to pay the said principal, interest and other amounts, pay penalty interest on the defaulted amount(s) at the rate of 12% p.a. (the "Penalty Interest") from the time the amount falls due until it is fully paid.

14. Payment in the Event of Default

Rockwell Land covenants that upon the occurrence of any Event of Default, Rockwell Land shall pay to the Bondholders, through the Paying Agent, the whole amount which shall then have become due and payable on all such outstanding Bonds with interest at the rate borne by the Bonds on the overdue principal and with Penalty Interest as described above, and in addition thereto, Rockwell Land shall pay to the Trustee such further amounts as shall be determined by the Trustee to be sufficient to cover the cost and expenses of collection, including reasonable compensation to the Trustee, its agents, attorneys and counsel, and any reasonable expenses or liabilities incurred without negligence or bad faith by the Trustee.

15. Application of Payments

Any money collected or delivered to the Paying Agent, and any other funds held by it, subject to any other provision of the Trust Indenture and the Registry and Paying Agency Agreement relating to the disposition of such money and funds, shall be applied by the Paying Agent in the order of preference as follows: *first*, to the payment to the Trustee, the Paying Agent and the Registrar, of the costs, expenses, fees and other charges of collection, including reasonable compensation to them, their agents, attorneys and counsel, and all reasonable expenses and liabilities incurred or disbursements made by them, without negligence or bad faith; *second*, to the payment of the interest in default, in the order of the maturity of such interest with Penalty Interest; *third*, to the payment of the whole amount then due and unpaid upon the Bonds for principal, and interest, with Penalty Interest; and *fourth*, the remainder, if any shall be paid to Rockwell Land, its successors or assigns, or to whoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct. Except for any interest and principal payments, all disbursements of the Paying Agent in relation to the Bonds shall require the conformity of the Trustee. The Paying Agent shall render a monthly account of such funds under its control.

16. Prescription

Claims with respect to principal and interest or other sums payable hereunder shall prescribe unless made within ten (10) years (in the case of principal or other sums) or five (5) years (in the case of interest) from the date on which payment becomes due.

17. Remedies

All remedies conferred by the Trust Indenture to the Trustee and the Bondholders shall be cumulative and not exclusive and shall not be so construed as to deprive the Trustee or the Bondholders of any legal remedy by judicial or extra judicial proceedings appropriate to enforce the conditions and covenants of the Trust Indenture, subject to the discussion below on *"Ability to File Suit"*.

No delay or omission by the Trustee or the Bondholders to exercise any right or power arising from or on account of any default hereunder shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence thereto; and every power and remedy given by the Trust Indenture to the Trustee or the Bondholders may be exercised from time to time and as often as may be necessary or expedient.

18. Ability to File Suit

No Bondholder shall have any right by virtue of or by availing of any provision of the Trust Indenture to institute any suit, action or proceeding for the collection of any sum due from Rockwell Land hereunder on account of principal, interest and other charges, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless (i) such Bondholder previously shall have given to the Trustee written notice of an Event of Default and of the continuance thereof and the related request for the Trustee to convene a meeting of the Bondholders to take up matters related to their rights and interests under the Bonds; (ii) the Majority Bondholders shall have decided and made the written request upon the Trustee to institute such action, suit or proceeding in the latter's name; (iii) the Trustee for 60 days after the receipt of such notice and request shall have neglected or refused to institute any such action, suit or proceeding; and (iv) no directions inconsistent with such written request shall have been given under a waiver of default by the Bondholders, it being understood and intended, and being expressly covenanted by every Bondholder with every other Bondholder and the Trustee, that no one or more Bondholders shall have any right in any manner whatever by virtue of or by availing of any provision of the Trust Indenture to affect, disturb or prejudice the rights of the holders of any other such Bonds or to obtain or seek to obtain priority over or preference to any other such holder or to enforce any right under the Trust Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all the Bondholders.

19. Waiver of Default by the Bondholders

The Majority Bondholders may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee, or the Majority Bondholders may decide for and on behalf of the Bondholders to waive any past default, except the events of default specified in Sections 10 (a), (d), (e), (f), and (g) above. In case of any such waiver, Rockwell Land, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder; provided however that, no such waiver shall extend to any subsequent or other default or impair any right consequent thereto. Any such waiver by the Majority Bondholders shall be conclusive and binding upon all Bondholders and upon all future holders and owners thereof, irrespective of whether or not any notation of such waiver is made upon the certificate representing the Bonds.

20. Trustee; Notices

(a) *Notice to the Trustee*

All documents required to be submitted to the Trustee pursuant to the Trust Indenture and this Prospectus and all correspondence addressed to the Trustee shall be delivered to:

To the Trustee: Metropolitan Bank and Trust Company –Trust Banking Group
Attention: [●]
Subject: Rockwell Land Corporation. ₱5.0 Billion Retail Bonds due [●]
Address: 18/F GT Tower International, 6813 Ayala Avenue cor. H.V. Dela Costa St.,
Makati City
Facsimile: (632) 8588010

All documents and correspondence not sent to the above-mentioned address shall be considered as not to have been sent at all.

(b) *Notice to the Bondholders*

The Trustee shall send all notices to Bondholders to their mailing address as set forth in the Registry of Bondholders. Except where a specific mode of notification is provided for herein, notices to Bondholders shall be sufficient when made in writing and transmitted in any one of the following modes: (i) registered mail; (ii) surface mail; (iii) by one-time publication in a newspaper of general circulation in the Philippines; or (iv) personal delivery to the address of record in the Registry of Bondholders. The Trustee shall rely on the Registry of Bondholders in determining the Bondholders entitled to notice. All notices shall be deemed to have been received (i) ten (10) days from posting if transmitted by registered mail; (ii) fifteen (15) days from mailing, if transmitted by surface mail; (iii) on date of publication or (iv) on date of delivery, for personal delivery.

(c) *Binding and Conclusive Nature*

Except as provided in the Trust Indenture, all notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained by the Trustee for the purposes of the provisions of the Trust Indenture, shall (in the absence of willful default, bad faith or manifest error) be binding on Rockwell Land and all Bondholders. No liability to Rockwell Land, the Paying Agent or the Bondholders shall attach to the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions under the Trust Indenture resulting from the Trustee's reliance on the foregoing.

21. Duties and Responsibilities of the Trustee

- (a) The Trustee is appointed as trustee for and on behalf of the Bondholders and accordingly shall perform such duties and shall have such responsibilities as provided in the Trust Indenture. The Trustee shall, in accordance with the terms and conditions of the Trust Indenture, monitor the compliance or non-compliance by Rockwell Land with all its representations and warranties, and the observance by Rockwell Land of all its covenants and performance of all its obligations, under and pursuant to the Trust Indenture. The Trustee shall observe due diligence in the performance of its duties and obligations under the Trust Indenture. For the avoidance of doubt, notwithstanding any actions that the Trustee may take, the Trustee shall remain to be the party responsible to the Bondholders, and to whom the Bondholders shall communicate with in respect to any matters that must be taken up with Rockwell Land.
- (b) The Trustee shall, prior to the occurrence of an Event of Default or after the curing of all such defaults which may have occurred, perform only such duties as are specifically set forth in the Trust Indenture. In case of default, the Trustee shall exercise such rights and powers vested in it by the Trust

Indenture, and use such judgment and care under the circumstances then prevailing that individuals of prudence, discretion and intelligence, and familiar with such matters, exercise in the management of their own affairs.

- (c) None of the provisions contained in this Trust Indenture or Prospectus shall require or be interpreted to require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

22. Resignation and Change of Trustee

- (a) The Trustee may at any time resign by giving thirty (30) days' prior written notice to Rockwell Land and to the Bondholders of such resignation.
- (b) Upon receiving such notice of resignation of Rockwell Land, the Issuer shall immediately appoint a successor trustee by written instrument in duplicate, executed by its authorized officers, one (1) copy of which instrument shall be delivered to the resigning Trustee and one (1) copy to the successor trustee. If no successor shall have been so appointed and have accepted appointment within thirty (30) days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor, or any Bondholder who has been a *bona fide* holder for at least six months (the "*bona fide* Bondholder") may, for and on behalf of the Bondholders, petition any such court for the appointment of a successor. Such court may thereupon after notice, if any, as it may deem proper, appoint a successor trustee.
- (c) A successor trustee should possess all the qualifications required under pertinent laws, otherwise, the incumbent trustee shall continue to act as such.
- (d) In case at any time the Trustee shall become incapable of acting, or has acquired conflicting interest, or shall be adjudged as bankrupt or insolvent, or a receiver for the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its properties or affairs for the purpose of rehabilitation, conservation or liquidation, then Rockwell Land may within thirty (30) days from there remove the Trustee concerned, and appoint a successor trustee, by written instrument in duplicate, executed by its authorized officers, one (1) copy of which instrument shall be delivered to the Trustee so removed and one (1) copy to the successor trustee. If Rockwell Land fails to remove the Trustee concerned and appoint a successor trustee, any Bona Fide Bondholder may petition any court of competent jurisdiction for the removal of the Trustee concerned and the appointment of a successor trustee. Such court may thereupon after such notice, if any, as it may deem proper, remove the Trustee and appoint a successor trustee.
- (e) The Majority Bondholders may at any time remove the Trustee for cause, and appoint a successor trustee, by the delivery to the Trustee so removed, to the successor trustee and to Rockwell Land of the required evidence of the action in that regard taken by the Majority Bondholders.
- (f) Any resignation or removal of the Trustee and the appointment of a successor trustee pursuant to any of the provisions the Trust Indenture shall become effective upon the earlier of: (i) acceptance of appointment by the successor trustee as provided in the Trust Indenture; or (ii) the effectivity of the resignation notice sent by the Trustee under the Trust Indenture (a) (the "Resignation Effective Date") provided, however, that after the Resignation Effective Date and, as relevant, until such successor trustee is qualified and appointed (the "Holdover Period"), the resigning Trustee shall discharge duties and responsibilities solely as a custodian of records for turnover to the successor Trustee promptly upon the appointment thereof by Rockwell Land.

23. Successor Trustee

- (a) Any successor trustee appointed shall execute, acknowledge and deliver to Rockwell Land and to its predecessor Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor trustee, without further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of its predecessor in the trusteeship with like effect as if originally named as trustee in the Trust Indenture. The foregoing notwithstanding, on the written request of Rockwell Land or of the

successor trustee, the Trustee ceasing to act as such shall execute and deliver an instrument transferring to the successor trustee, all the rights, powers and duties of the Trustee so ceasing to act as such. Upon request of any such successor trustee, Rockwell Land shall execute any and all instruments in writing as may be necessary to fully vest in and confer to such successor trustee all such rights, powers and duties.

- (b) Upon acceptance of the appointment by a successor trustee, Rockwell Land shall notify the Bondholders in writing of the succession of such trustee to the trusteeship. If Rockwell Land fails to notify the Bondholders within 10 days after the acceptance of appointment by the trustee, the latter shall cause the Bondholders to be notified at the expense of Rockwell Land.

24. Reports to the Bondholders

- (a) The Trustee shall submit to the Bondholders on or before [●] of each year from the relevant Issue Date until full payment of the Bonds a brief report dated as of December 31 of the immediately preceding year with respect to:
 - (i) The property and funds, if any, physically in the possession of the Paying Agent held in trust for the Bondholders on the date of such report; and
 - (ii) Any action taken by the Trustee in the performance of its duties under the Trust Indenture which it has not previously reported and which in its opinion materially affects the Bonds, except action in respect of a default, notice of which has been or is to be withheld by it.
- (b) The Trustee shall submit to the Bondholders a brief report within 90 days from the making of any advance for the reimbursement of which it claims or may claim a lien or charge which is prior to that of the Bondholders on the property or funds held or collected by the Paying Agent with respect to the character, amount and the circumstances surrounding the making of such advance; provided that, such advance remaining unpaid amounts to at least ten percent (10%) of the aggregate outstanding principal amount of the Bonds at such time.
- (c) The following pertinent documents may be inspected during regular business hours on any Business Day at the principal office of the Trustee:
 - (i) Trust Indenture
 - (ii) Registry and Paying Agency Agreement
 - (iii) Articles of Incorporation and By-Laws of the Company
 - (iv) Registration Statement of the Company with respect to the Bonds

25. Meetings of the Bondholders

A meeting of the Bondholders may be called at any time for the purpose of taking any actions authorized to be taken by or on behalf of the Bondholders of any specified aggregate principal amount of Bonds under any other provisions of the Trust Indenture or under the law and such other matters related to the rights and interests of the Bondholders under the Bonds.

(a) *Notice of Meetings*

The Trustee may at any time call a meeting of the Bondholders, or the holders of at least twenty-five percent (25%) of the aggregate outstanding principal amount of Bonds may direct in writing the Trustee to call a meeting of the Bondholders, to take up any allowed action, to be held at such time and at such place as the Trustee shall determine. Notice of every meeting of the Bondholders, setting forth the time and the place of such meeting and the purpose of such meeting in reasonable detail, shall be sent by the Trustee to Rockwell Land and to each of the registered Bondholders not earlier than forty five (45) days nor later than fifteen (15) days prior to the date fixed for the meeting. Each of such notices shall be published in a newspaper of general circulation as provided in the Trust Indenture. All reasonable costs and expenses incurred by the Trustee for the proper dissemination of

the requested meeting shall be reimbursed by Rockwell Land within ten (10) days from receipt of the duly supported billing statement.

(b) *Failure of the Trustee to Call a Meeting*

In case at any time Rockwell Land or the holders of at least twenty five percent (25%) of the aggregate outstanding principal amount of the Bonds shall have requested the Trustee to call a meeting of the Bondholders by written request setting forth in reasonable detail the purpose of the meeting, and the Trustee shall not have mailed and published, in accordance with the notice requirements, the notice of such meeting, then Rockwell Land or the Bondholders in the amount above specified may determine the time and place for such meeting and may call such meeting by mailing and publishing notice thereof.

(c) *Quorum*

The Trustee shall determine and record the presence of the Majority Bondholders, personally or by proxy. The presence of the Majority Bondholders shall be necessary to constitute a quorum to do business at any meeting of the Bondholders.

(d) *Procedure for Meetings*

(i) The Trustee shall preside at all the meetings of the Bondholders, unless the meeting shall have been called by Rockwell Land or by the Bondholders, in which case Rockwell Land or the Bondholders calling the meeting, as the case may be, shall in like manner move for the election of the chairman and secretary of the meeting.

(ii) Any meeting of the Bondholders duly called may be adjourned for a period or periods not to exceed in the aggregate of one (1) year from the date for which the meeting shall originally have been called and the meeting as so adjourned may be held without further notice. Any such adjournment may be ordered by persons representing a majority of the aggregate principal amount of the Bonds represented at the meeting and entitled to vote, whether or not a quorum shall be present at the meeting.

(e) *Voting Rights*

To be entitled to vote at any meeting of the Bondholders, a person shall be a registered holder of one (1) or more Bonds or a person appointed by an instrument in writing as proxy by any such holder as of the date of the said meeting. Bondholders shall be entitled to one vote for every Ten Thousand Pesos (₱10,000) interest. The only persons who shall be entitled to be present or to speak at any meeting of the Bondholders shall be the persons entitled to vote at such meeting and any representatives of Rockwell Land and its legal counsel.

(f) *Voting Requirement*

All matters presented for resolution by the Bondholders in a meeting duly called for the purpose shall be decided or approved by the affirmative vote of the Majority Bondholders present or represented in a meeting at which there is a quorum except as otherwise provided in the Trust Indenture (please refer to the preceding discussion on "Quorum"). Any resolution of the Bondholders which has been duly approved with the required number of votes of the Bondholders as herein provided in the Trust Indenture shall be binding upon all the Bondholders and Rockwell Land as if the votes were unanimous.

(g) *Role of the Trustee in Meetings of the Bondholders*

Notwithstanding any other provisions of the Trust Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of the Bondholders, in regard to proof of ownership of the Bonds, the appointment of proxies by registered holders of the Bonds, the election of the chairman and the secretary, the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote and such other matters concerning the conduct of the meeting as it shall deem fit.

26. Amendments

Rockwell Land and the Trustee may, without notice to or the consent of the Bondholders or other parties, amend or waive these Terms and Conditions if such amendment or waiver is of a formal, minor, or technical nature or to correct a manifest error or inconsistency provided in all cases that such amendment or waiver does not adversely affect the interests of the Bondholders and provided further that all Bondholders are notified of such amendment or waiver.

Rockwell Land and the Trustee may amend the Terms and Conditions without notice to every Bondholder, but with the written consent of the Majority Bondholders (including consents obtained in connection with a tender offer or exchange offer for the Bonds). However, without the consent of each Bondholder affected thereby, an amendment may not:

- (a) reduce the amount of Bondholder that must consent to an amendment or waiver;
- (b) reduce the rate of or extend the time for payment of interest on any Bond;
- (c) reduce the principal of or extend the Maturity Date of any Bond;
- (d) impair the right of any Bondholder to receive payment of principal of and interest on such Holder's Bonds on or after the due dates therefore or to institute suit for the enforcement of any payment on or with respect to such Bondholders;
- (e) reduce the amount payable upon the redemption or repurchase of any Bond under the Terms and Conditions or change the time at which any Bond may be redeemed;
- (f) make any Bond payable in money other than that stated in the Bond;
- (g) subordinate the Bonds to any other obligation of Rockwell Land;
- (h) release any security interest that may have been granted in favor of the Bondholders;
- (i) amend or modify the Payment of Additional Amounts, Taxation, the Events of Default of the Terms and Conditions or the Waiver of Default by the Bondholders; or Make any change or waiver of this Condition.

It shall not be necessary for the consent of the Bondholders under this Condition to approve the particular form of any proposed amendment, but it shall be sufficient if such consent approves the substance thereof. After an amendment under this Condition becomes effective, Rockwell Land shall send a notice briefly describing such amendment to the Bondholders in the manner provided in the section entitled "Notices".

27. Evidence Supporting the Action of the Bondholders

Wherever in the Trust Indenture it is provided that the holders of a specified percentage of the aggregate outstanding principal amount of the Bonds may take any action (including the making of any demand or requests and the giving of any notice or consent or the taking of any other action), the fact that at the time of taking any such action the holders of such specified percentage have joined therein may be evidenced by: (i) any instrument executed by the Bondholders in person or by the agent or proxy appointed in writing or (ii) the duly authenticated record of voting in favor thereof at the meeting of the Bondholders duly called and held in accordance herewith or (iii) a combination of such instrument and any such record of meeting of the Bondholders.

28. Non-Reliance

Each Bondholder also represents and warrants to the Trustee that it has independently and, without reliance on the Trustee, made its own credit investigation and appraisal of the financial condition and affairs of Rockwell Land on the basis of such documents and information as it has deemed appropriate and that he has subscribed to the Issue on the basis of such independent appraisal, and each Bondholder represents and warrants that it shall continue to make its own credit appraisal without reliance on the Trustee. The Bondholders agree to indemnify and hold the Trustee harmless from and against any and all liabilities, damages, penalties, judgments, suits, expenses and other costs of any kind or nature with respect to its obligations under the Trust Indenture, except for its gross negligence or wilful misconduct.

29. Governing Law

The Trust Indenture and other related documents are governed by and are construed in accordance with Philippine law.

INTERESTS OF NAMED EXPERTS

LEGAL MATTERS

Certain Philippine legal matters with respect to the Offer were passed upon for the Company by Quiason Makalintal Barot Torres Ibarra & Sison, the independent legal and tax counsel of the Company.

The independent legal and tax counsel has no shareholdings in the Company, or any right, whether legally enforceable or not, to nominate persons or to subscribe to the securities of the Company, in accordance with the standards on independence required in the Code of Professional Responsibility and as prescribed by the Supreme Court of the Philippines.

The named independent legal and tax counsel has not acted and will not act as promoter, underwriter, voting trustee, officer or employee of the Company.

INDEPENDENT AUDITORS

SGV & Co., independent auditors, audited the consolidated financial statements of the Company as of December 31, 2012 and 2011 and January 1, 2011 and for the years ended December 31, 2012, 2011 and 2010 without qualification, and reviewed the unaudited interim condensed consolidated financial statements of the Company as of June 30, 2013 and 2012 and for the six months ended June 30, 2013 and December 31, 2012, all included in this Prospectus. Said external auditor has no shareholdings in the Company, or any right, whether legally enforceable or not, to nominate or to subscribe to the securities of the Company, in accordance with the professional standards on independence set by the Board of Accountancy and Professional Regulation Commission.

The named independent auditor has not acted and will not act as promoter, underwriter, voting trustee, officer or employee of the Company.

Audit and Audit-Related Fees

The following table sets out the aggregate fees billed for each of the last two fiscal years for professional services rendered by SGV & Co.

	<u>Year ended December 31</u>	
	<u>2011</u>	<u>2012</u>
	(in Pesos)	
Audit and Audit-Related Fees	₱1.9 million	₱2.3 million

DESCRIPTION OF BUSINESS

OVERVIEW AND HISTORY

Rockwell Land is a premier property developer for residential and commercial projects that cater to the high-end and upper-mid markets in Metro Manila. It is primarily engaged in the residential development of high-rise condominiums as well as in retail and office leasing.

The Company was incorporated on August 11, 1975 as First Philippine Realty and Development Corporation. In February 23, 1995, the Company amended its articles of incorporation, changing its name to Rockwell Land Corporation. On September 27, 1996, the SEC approved the increase in capital stock of the Company from ₱1.0 million to ₱6.0 billion with three major shareholders subscribing to the increase, namely: Meralco, FPHC and Lopez Holdings Corporation. During the increase, the Company also amended its articles of incorporation to include the increase in capital stock and the increase in the number of directors from 5 to 11. On May 4, 2000, the SEC approved the articles of merger of the Company with Hubbard Realty Holdings, Inc., Farragut Realty Holdings, Inc., Mc Pherson Square, Inc., and Foggy Bottom, Inc., with the Company as the surviving entity. In July 2008, the SEC approved the Company's increase in authorized capital from ₱6.0 billion divided into 6,000,000,000 Common Shares with ₱1 par value each to ₱9.0 billion divided into 8,890,000,000 Common Shares with the same par value and 11,000,000,000 Preferred Shares with a ₱0.01 par value each with existing shareholders subscribing to the increase in capital. In August 2009, Lopez Holdings Corporation sold its share in the Company to FPHC therefore leaving the Company with only two (2) major shareholders, namely Meralco and FPHC. On February 28, 2012, the SEC approved the amendment to the First Article of the Articles of Incorporation of the Company changing its name from "Rockwell Land Corporation" to: "ROCKWELL LAND CORPORATION Doing business under the name and style of Powerplant Mall; Powerplant Cinemas; and Edades Serviced Apartments".

The Company's first project was to convert an old thermal power plant site in Makati City into an upscale mixed-use community known today as the Rockwell Center. This 15.5 hectare site is located between the Makati and Ortigas business districts and distinguishes itself with more landscape and open spaces. Rockwell Center now consists of several high-rise residential buildings (seven towers completed to date), a shopping mall (Power Plant Mall), an exclusive leisure club (Rockwell Club), a graduate school and two office buildings owned by Nestle Philippines and the Phinma Group.

In November 1995, the Company launched the Rizal Towers and Hidalgo Place which were well-received by the market. It launched two more residential towers in the late 90s and opened its first retail project, the Power Plant Mall, in the late 2000.

In time for the hand over of its first residential project, Rockwell Land formed its wholly-owned subsidiary RIPSU in February 19, 1999. RIPSU is Rockwell Land's property management arm which now manages all the completed residential projects in the Rockwell Center located in Makati City and the recently completed towers from The Grove in Pasig City.

The impact of the 1997 Asian Financial Crisis was only felt by the Company when it registered substantial net losses for 2001 and 2002. Despite this, the Company launched The Manansala in late 2001 which was instrumental in the Company's return to profitable operations. The Company delivered The Manansala six months ahead of schedule. While marketing The Manansala, the Company began to cater its projects to the Filipino-American market in the U.S. This sales and marketing strategy opened doors to additional projects in the Rockwell Center—Joya Lofts and Towers and One Rockwell.

The Company expanded in 2008 with the acquisition of a 5.4 hectare property in Pasig and its entry into the office leasing business. The Pasig property development was launched in late 2008 as The Grove, the Company's first residential development project outside of Rockwell Center and its initial entry into the upper mid-market residential sector. The entire 6-tower development was launched yearly since 2008, with two towers per year of launch.

On the other hand, its entry into the office leasing business was through an unincorporated joint venture with Meralco for the development of an office complex in the Ortigas area, which started its operations in 2009.

On February 27, 2012, the Board of Directors of Meralco approved the declaration of its 51% ownership in the Company as property dividend in favor of common stockholders of record as of March 23, 2012, except for foreign common shareholders who were 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 FPHC 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 PSE by way of introduction on May 11, 2012.

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

In its bid to expand the business and to bring the Rockwell lifestyle into the broader market segment, the Company incorporated its wholly-owned subsidiary Primaries Development Corporation ("Primaries", formerly Rockwell Land Homes Inc.) last September 2012.

The Company also formed three (3) other wholly owned subsidiaries: Stonewell Development Corporation Inc., was incorporated last September 2012 to develop socialized housing for the Parent Company; Primaries Properties Sales Specialist Inc., was incorporated last November 2012 primarily to act the sales and marketing arm of Primaries; and Rockwell Hotels & Leisure Management Corporation (Rockwell Hotels) was incorporated last June 20, 2013 for the management of hotel and resort operations.

The Company and its subsidiaries have not been involved in any bankruptcy, receivership or similar proceedings.

THE COMPANY'S BUSINESSES

Rockwell Land's operations are divided into two (2) segments as of the date of this Prospectus: Residential development and Commercial leasing.

RESIDENTIAL DEVELOPMENT

The residential development segment involves the development, sales and property management of all residential units under the Rockwell Land brand. This segment currently accounts for 61% of the Company's EBITDA in 2012.

As of the date of this Prospectus, its portfolio of completed projects comprises of the following:

West Block Residential Towers (2000)

Approximately 2.8 hectares, the West Block was the first residential development within Rockwell Center. It consists of four towers, each named after the country's most prominent artists and national figures. The West Block has a total of 856 residential units as follows:

Tower	No. of Units
Luna Gardens	131 units
Rizal Tower	169 units
Hidalgo Place	251 units
Amorsolo Square	305 units
Total	856 units

The Company completed and handed over these towers to the unit owners on time starting in late 1999.

The Manansala (2005)

After the completion of the West Block in 1999, the Company introduced The Manansala in 2001- the first residential project on the east side of Rockwell Center. It was launched to address the market requirement for smaller units, where studio to 1-bedroom unit types account for more than half of the total 618 units. This was also the first project of the Company that was launched to the Filipino-American investor market. The project broke ground in May 2002 and was completed six months ahead of schedule in July 2005.

Joya Lofts and Towers (2008)

Following The Manansala, the 931-unit Joya Lofts and Towers were launched in late 2003. The distinguishing feature of the Joya Lofts and Towers is its loft design, featuring 20 foot ceilings and a “canvass” for the unit owners’ creative ideas. The project also includes more ground floor retail spaces for tenants intended to service residents’ requirements. This twin-tower project broke ground in August 2004 and was completed in June 2008, six months ahead of schedule.

One Rockwell (2011)

Riding on the sales momentum of Joya, the Company launched One Rockwell in 2005 – its largest development within the Rockwell Center with 1,275 units. The distinguishing feature of the One Rockwell units is its Z-loft, which provide residents with units crossing across the corridor for views from both sides of the building. This two (2)-tower project (the East and West Towers) commenced construction in Feb 2007 and was completed in November 2011. Turnover to unit owners started in November 2010 for the East Tower and in September 2011 for the West Tower.

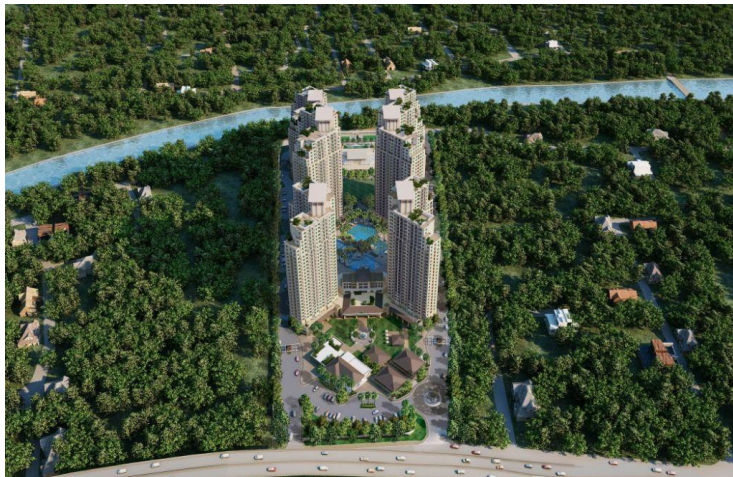


Note: Architect’s perspective of Rockwell Center master plan, which now includes Proscenium

The Grove by Rockwell Land – Phase 1 (2012)

The Grove by Rockwell Land is the Company's first project outside of Rockwell Center in Makati and its first venture into the upper mid-market segment. The project is situated on a 5.4 hectare prime property along the major thoroughfare of E. Rodriguez Jr. Ave. in Pasig and will consist of six residential towers with a small retail and commercial area. The Grove's master plan intends to retain 75% of its area for open-space and landscaped environment with a resort-inspired design for its 2,400 unit owners.

The project was introduced to the market in late 2008 with the launch of Phase 1 (Towers A, B & Podium). Phase 1's construction, with 620 residential units, was completed by end of 2012 and was turned over to unit owners starting July 2012.



Note: The Grove site development plan

In addition to the above completed projects, the Company has the following ongoing projects:

The Grove by Rockwell Land – Phases 2 & 3 (completion by 2014 & 2015, respectively)

Following the launch of the Phase 1 of The Grove by Rockwell Land, Phase 2 (Towers C & D) and Phase 3 (Towers E, F and Garden Villas) were introduced to the market on November 2010 and July 2011, respectively. Construction is ongoing for the aforementioned towers and the 896 units of Towers C & D and 866 units of Towers E, F & Garden Villas are due for completion on December 2014 and December 2015, respectively.

Edades Tower and Garden Villas (completion by 2014)

Following The Grove, a 50-storey development Edades Tower and Garden Villas was launched on December 2009. This development has a total of 611 units including new product offerings Garden Villas and Garden Lofts. Garden Villas which are extensions of the tower are composed of a landscaped cluster of bi-level units while the Garden Lofts are loft units located within the residential tower that spills out to a generous garden deck. It also features six floors of serviced apartments which has a dedicated lobby and set of amenities. Construction of Edades is already on the finishing stage and is expected to be completed within the first quarter of 2014.



205 Santolan by Rockwell Land (completion by 2013)

To expand its portfolio of products, the Company launched its first townhouse community venture – the 205 Santolan. It is situated on a 1.8 hectare property located near the Santolan- Ortigas Avenue intersection that has quick access to major thoroughfares. This 105-unit low-density project comes complete with master-planned landscaping and amenities, It broke ground in February 2012 and is scheduled for turnover to the buyers by December 2013.



The Proscenium (completion by 2018-2019)

The latest project launched by the Company in Makati is The Proscenium which is a mixed-use development project situated on a 3.6 hectare property adjacent to Rockwell Center. The first two towers namely: Sakura and Kirov were launched on November 2012 featuring 367 large size units ranging from 2 to 4 bedrooms. The third tower, Lincoln, was launched in February 2013 and this time with studios and 1 - 2 bedroom units. All three towers are scheduled for turnover to the buyers by 2018.

Designed by a well-known international architect, Carlos Ott, the development is envisioned to have another residential tower (Lorraine) which will be launched in late 2014 or early 2015.

The development is anchored on a cultural component with a 600-seater performing arts theater and the Lopez Museum to be located on the south-west corner of the property.



The Alvendia (completion by 2014)

Coming from the success of its 1st townhouse development, Rockwell Land launched another townhouse project on a 0.5 has site in San Juan City in late July 2013. With only 28 units, the project was almost sold out the following month.



COMMERCIAL LEASING

The Commercial leasing segment of the Company develops, leases and manages its retail and office developments. Its retail portfolio includes the Power Plant Mall (including the Power Plant Cinema) as well as various retail areas in its residential developments. As of the date of this Prospectus, the Company manages 48,000 sq.m. of retail space in the Rockwell Center, the Rockwell Business Center and The Grove. Recurring income generated from this segment contributes 39% of the Company's EBITDA in 2012. On the other hand,

its lone office development as of the date of this Prospectus is the Rockwell Business Center (RBC) in Ortigas which has 44,000 sq.m. of leasable space.

Power Plant Mall

The Power Plant Mall is a four-level shopping center of 40,000 sq.m. leasable area with three (3) levels of parking. Opened in late 2000 on the precise location of the original Rockwell Power Plant, the Power Plant Mall now has 283 tenants. It features a mix of lifestyle retailers including anchors, fashion stores, themed restaurants, specialty shops, services and entertainment centers. Its anchors include a supermarket, a fashion brand, a bookstore and a six-screen cinema. The Power Plant Mall provides the leisure component for the occupants of the residential towers and offices within the Rockwell Center. Currently with full occupancy, the Power Plant Mall contributes substantial recurring income to the Company.



Note: Actual photograph of the Power Plant Mall (interior)

Other Retail Spaces

The Company also maintains retail spaces on the ground floor of its residential and office projects, providing services, convenience and dining choices to residents/ tenants and non-residents/ non-tenants alike. The latest addition to the other retail areas in Rockwell Center is on the ground floor of One Rockwell consisting of restaurants and shopping stores. The complete line-up of stores in One Rockwell opened in late 2012 while the retail area of The Grove opened in mid- 2012.

Additional retail spaces will open in Rockwell Center upon the completion of Edades (1st quarter 2014) and Lopez Tower (1st quarter 2015), both will complement the experience within the whole center. Similarly, more retail spaces will open in Pasig City with Rockwell Business Center's Tower 3 (3rd quarter 2014) and Towers E & F of The Grove (December 2015).

Rockwell Business Center

The Company established an unincorporated joint venture, Rockwell Business Center, with Meralco for the development and operations of an office complex within the Meralco headquarters in Ortigas. Meralco contributed the right to use land of approximately 1.3 hectares while the Company contributed the construction cost of the buildings. Sharing of earnings is on an 80:20 basis (80% for the Company and 20% for Meralco) until 2014 or until certain operational indicators are reached, whichever comes first after which sharing will be on a 70:30 basis. The agreement to operate is effective for 25 years.

RBC is the Company's first venture into the office market. Its first two towers have a total leasable area of 45,000 square meters of office space which were completed in July 2009. As of the date of this Prospectus, RBC is already fully leased out to 25 companies, mostly from BPO firms, with around 4,000 employees.

With the continuing demand for BPO office spaces, the Company started superstructure works for RBC's 3rd Tower last June 2013. Tower 3 will add 28,400 square meters to the Company's office portfolio upon its completion by the 3rd quarter of 2014, or an estimated 3,000 employees more.



Lopez Tower

Ongoing construction in Block 9 of Rockwell Center is the Lopez Tower. This 20- storey office tower, with a net leasable area of 32,377 square meters, will be the headquarters of the different companies within the Lopez Group by early 2015.

As of the date of this prospectus, construction has reached structural works above ground.



PROJECTS TO BE LAUNCHED

The Company continues to seek new opportunities for its expansion and growth. As of the date of this Prospectus, the Company will launch the following projects but the Company has yet to determine the material amount of resources and estimated amount required to complete such projects as the same are still in the developmental and design stages:

Cebu project

The Company acquired a 3.1 hectare lot in Lahug, Cebu City to expand to other strategic urban centers in the Philippines. This will be the Company's first venture outside the region of Luzon and Cebu City is one of the most progressive provincial cities in the country. Cebu City is a regional business hub for trades in and out of the Visayas region. An international airport, Mactan-Cebu International Airport, is the second busiest airport in the Philippines.

The development project is primarily residential and is due for launch in late 2013.

Edades Serviced Apartments

Because of the strong leasing market of the residential condominium towers in Rockwell Center for both the local and expatriate market due to its proximity to Makati CBD and Bonifacio Global City, the Company will open 6 floors of 114 serviced apartments in the Edades Tower and Garden Villas, which is due for final completion in the 1st quarter of 2014.

This will be the first project to be operated by Rockwell Hotels which aims to grow the hotel and leisure management business into another relevant source of recurring income for the Company in the long run.

Iconique Office Tower of Proscenium

The Iconique Office Tower is the fifth tower in the Proscenium development. Originally planned as a residential tower, the Iconique Office Tower is now intended to be a premium office building to cater to traditional offices of well-reputed organizations that has strong operations in both local and international markets. The office tower will improve the Company's recurring income with an estimated additional leasable area of 60,000 square meters starting 2018.

With the solid economic fundamentals of the Philippines, the Company foresees that demand for traditional offices will increase as more entities invest in the country. And Rockwell Center, being an established mixed-use development community can effectively compete with the other commercial business districts in Metro Manila.

PRIMARIES DEVELOPMENT CORPORATION

The Company established Primaries Development Corporation last September 2012 for development projects catering to the broader market under its 2nd brand, "Primaries" with the vision to become the preferred developer in terms of providing exceptional and quality living at a more affordable price. The brand was launched in April 2013 and hopes to grow this market segment with 1-2 projects per year in the medium term.

Under this new brand, the Company launched its first midrise development project called the 53 Benitez in July 2013. This 0.8 hectare lot in Quezon City was launched in late July 2013.



Under this new brand, the Company launched its first midrise development project called the 53 Benitez in July 2013. Situated on a one (1) hectare lot in Quezon City, this project has 364 2BR and 3BR units. The primary target market for this project are end-users like young and start-up families.



Note: Picture of 53 Benitez

ROCKWELL LAND INTEGRATED PROPERTY SERVICES INC.

RIPSI is a 100% subsidiary of the Company created for the purpose of managing various properties of the condominium corporations in order to ensure and maintain the value of Rockwell Land developments and its niche in luxurious living.

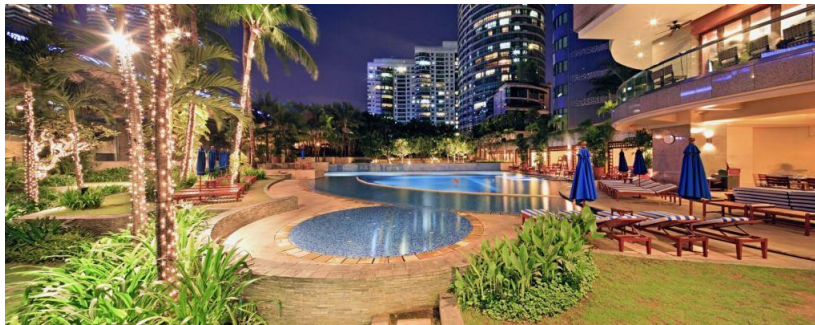
There are eight (8) residential towers managed by RIPSI as of the date of this Prospectus.

ROCKWELL CLUB

In addition to the residential development and commercial leasing segments of the Company, the Company also sells shares of Rockwell Club. Located within the Amorsolo Square, the Rockwell Club is a non-profit premier leisure club created to complement Rockwell Land's exclusive lifestyle concept. Opened in December 1999, the Rockwell Club offers its resident members and proprietary shareholders a first-class social, sports and recreational facility within the Rockwell Center.

There are 2,434 members as of June 30, 2013 that has exclusive use of Rockwell Club's swimming pool, gyms, sports courts, and spa and function rooms. The facilities of Rockwell Club are mainly found in Amorsolo Square, but the gym facilities of Joya Lofts and Towers and Manansala are also owned and operated by Rockwell Club.

Partnerships with some international and local clubs and resorts enable members to enjoy other world class sports and recreational facilities here and abroad.



Note: Actual photo of Rockwell Club

COMPETITIVE STRENGTHS

The Company believes that it can effectively compete in the industry because of the following strengths:

Reputation for innovation and world-class property developments

Rockwell Land first ventured into the Philippine housing market to become a pioneering developer of real estate properties and communities and to raise the standards for property development in Metro Manila by providing world-class pioneering designs and state of the art features of buildings and units. With this in mind, its projects are developed on the premise of providing additional choices and features to address what the clients need and want. Some of the Company's innovations are as follows:

- "City within a city"- First self- contained master-planned community with generous space allotment for landscaping and open spaces;
- Lofts and Z-lofts - Architectural features in residential units that allows buyers to have more cityscape views and maximized interiors;
- Garden Units - Merging condo-living with a backyard feature, the garden unit give owners their own direct access to gardens and ground floor;
- Garden Villas - townhouse-like structures within a condominium development;
- Model units inside a mall; and
- Reserved seating in the cinemas.

The Company has historically used these new concepts and products to differentiate itself from the other industry players to gain market acceptance and later on market share.

Solid project delivery track record

Over the years and with several completed projects, the Company has always delivered its projects to its customers on time (or even ahead of schedule), within budget and with the committed quality. This is the guiding principle for all the Company's projects whether in the residential, retail or office segment of its business.

In addition, the Company believes that it has to deliver not just its projects' physical structures but also the "Rockwell Land Experience" that comes with it. As seen in Rockwell Center and its other projects, the Company aims to establish a new standard for luxury and community living. The Company believes that it has successfully established the Rockwell Land name as a brand associated with exclusivity, high quality living, security and total community experience.

The Company ensures high quality project delivery and post-turnover operation. Its focus on responsive property management sets it apart from all the other major developers which is reflected in the higher capital values and rental yields for its residential projects and high demand for its retail and office spaces.

Unique and strategic urban assets

The location of the Company's land bank close to the CBD of Makati, Fort Bonifacio and Ortigas provides exciting opportunities for residential and mixed use developments. The Company's project developments in these sites are expected to provide unique property development concepts with the added practicality of being in strategic locations within Metro Manila.

Substantial recurring income

The Company generates substantial recurring income from leases in the Power Plant Mall and the Rockwell Business Center. These cash flows allow the Company to generate consistent profitability throughout each stage of the property cycle. The stable base of recurring income gives the Company the flexibility to generate strong property development revenues in the long term.

Strong financial position

The Company is in a strong balance sheet position with a net debt to equity ratio of 0.49x. It generates substantial internally generated cash from its commercial leasing business and residential projects. This gives the Company a credit-worthy standing allowing it to access funds for expansion and growth. In fact, the Company is able to raise funds from major banking institutions at very prime credit spreads.

Experienced Management Team

The Company has an experienced professional management team who were instrumental in shaping the Company's growth and brand almost from inception. With years of operational and management experience in property development from the Philippines and abroad, this management team has proven itself in the delivery of completed projects. In addition, majority of the current executives have helped the Company survive through the Asian Financial crisis and the local property crisis that hit the Philippines shortly after the Company first entered the market. These experiences as well as the market knowledge they acquired through the years will be key in driving the future path of the Company.

Potential for Expansion and Growth

Its line-up of projects for launch in the next years is projected to generate substantial revenues to ensure Rockwell Land's growth in the medium term. The Proscenium project will expand the current Rockwell Center and is aimed to further enhance the value of this mixed-use inner-city development. 205 Santolan, on the other hand, being its first townhouse development project is meant to capture a different market segment

that is still underdeveloped. Its entry into the vibrant Cebu market, its first project outside of Metro Manila, its venture into the broader market, through Primaries, and the launching of its first serviced apartment project in Edades are meant to bring the Rockwell brand and experience into a more diverse geographic and buyers profile that will expand its portfolio of products and services.

STRATEGIES

The following are the strategies that Rockwell Land employs as it pursues its real property business:

Pursue opportunities by offering new products or services to untapped or underserved markets

Rockwell Land aims to differentiate itself in the property development industry as seen from its history of offering new or enhanced products into the market. The Company intends to pursue new opportunities primarily by filling the voids in untapped or underserved markets, seeking to find high-growth niche markets. It plans to do this by studying the market, anticipating its needs as well as by creating solutions to existing problems or concerns of the market.

Recent examples of this are the new ventures of the Company into the serviced apartments market, the townhouse developments and the broader market through Primaries. About 114 serviced apartment units are incorporated in its Edades project while 205 Santolan is its first townhouse developments project. The Company believes that these are underserved markets which can use its expertise and experience in order to offer something new to the consumers.

Capitalize on the Rockwell brand and the Company's experience to expand its business

The Company believes that it has already established a strong brand in Rockwell, particularly in the high-end market. Whether in residential, retail or even office projects, the Rockwell name has been known not just for the quality of its physical structures but also the lifestyle and experience that comes with it.

The Company plans to capitalize on this as it expands its product range, customer base and geographical reach. While the Company expects to launch more mixed-use inner city developments similar to Rockwell Center within and outside Metro Manila, it also intends to enhance its product offerings with townhouses and mid-rise condominium. In addition, Rockwell Land also would like to bring its expertise and experience in the broader mid-market segment through Primaries.

Maintain a healthy balance of recurring and non-recurring income sources

The Company believes that it has to provide a stable value to its shareholders despite the cyclical nature of its industry. Though it plans to take advantage of the upswings in the market, it also intends to create a buffer when market conditions are not favorable. Rockwell Land aims to do this by balancing its higher value income from its residential projects with the more stable and recurring income from its commercial leasing business as well as in its serviced apartment components. In addition, it also plans to balance its signature mixed-use inner city developments which are long-term in nature with shorter-turnaround projects such as townhouse developments and mid-rise projects.

COMPETITION

Rockwell Land operates in a highly competitive industry. The industry consists of two (2) sets of players: (a) the major players who are present in all segments of the market (residential, retail, office and tourism) and generally have nationwide presence and (b) the niche players who only operate in certain segments of the market.

The Company is a niche player which is mainly into vertical residential projects in Metro Manila primarily targeting the high-end and the upper-mid markets. For its residential development business, the Company competes on the basis of location, product quality, amenities and price. On the other hand, competition for the commercial leasing business is based on location, quality and availability of space. Rockwell Land believes that it mainly competes with Ayala Land Inc. (“ALI”), Shang Properties Inc. (“Shang Properties”) and Century Properties Group Inc. (“CPG”) for its residential business and ALI and Shang Properties for its retail business. For its office segment, the Company competes with Robinsons Land Corp. (“RLC”) and the office building developers in Fort Bonifacio Global City. ALI and RLC are both major players present in the whole spectrum of the property market segments nationwide. On the other hand, Shang Properties and CPG are also niche players, similar to the Company, focused mainly on residential and retail (for Shang Properties) and residential (for CPG).

(Amounts in Million Pesos)	ALI	Shang	CPG	RLC
Revenue*	51,238	1,528	8,804	13,515
NIAT*	10,334	1,074	1,844	4,245
Assets **	231,232	21,453	18,579	70,647
Equity **	91,545	13,890	8,266	47,682
Market Capitalization ***	354,312	16,674	12,881	77,865

Source:

- Based on company filings for the year ended December 31, 2012 except RLC which is for the year ended September 30, 2012

** Based on company filings as of December 31, 2012 except RLC which is as of September 30, 2012

*** As of September 9, 2013

With its strong brand name and its track record of project innovations and successful delivery, the Company believes that it can effectively compete in its current niche and is in a solid position to enter new markets. The Company decided last year to enter into horizontal residential development with the launch of its first townhouse project, 205 Santolan. Although the Company has no track record in managing this type of projects as compared to its competitors, it believes that its experience in vertical residential projects will be useful. In addition, these projects will also be targeting the high-end and the upper-mid markets that the Company is very familiar with.

CUSTOMERS AND DISTRIBUTION METHODS

The Company caters to a wide range of customers, not any one of whom account for 20% or more of its revenues. Its residential projects are sold to both local individuals and corporations and foreign individuals with the local market accounting for about 75% of sales in the last three years. For its commercial leasing business, its customers are individuals and institutions.

Residential projects are sold to clients primarily through the Company’s in-house sales team which exclusively sells Rockwell Land projects, complemented by a network of licensed brokers. Its in-house sales team, now numbering 86, consists of regular employees and is headed by licensed brokers. For Primaries, sales agents are hired by the recently established Primaries Properties Sales Specialists Incorporated (PPSSI) to remain competitive in the market it aims to penetrate.

The Company also has an in-house leasing team which handles leasing of tenants for its retail and office business.

The Company maintains websites (www.e-rockwell.com and www.powerplantmall.com) and various model units which serve as touch points for its customers. The model units for Edades and the Grove found in the Power Plant Mall have now been converted for Proscenium, a project launched in November 2012. The Grove model units are still found on site. Since late 2010, it has again tapped the Filipinos living overseas or abroad through international roadshows.

SUPPLIERS

The Company's raw material requirements for its business are widely available from local and international sources. It generally enters into fixed-sum agreements with reputable general contractors for the construction and development works of its projects except in instances when it believes that it can benefit from the direct procurement of certain materials and packages. Awarding of construction contracts and packages go through the following selection process: pre-qualification (based on project track record, including previous works done for Rockwell Land, and financial capacity, among others), submission of sealed bids, evaluation of accepted bids (technical and commercial) and a final bidding. It maintains a wide base of suppliers and is not dependent on one or a limited number. Rockwell Land also continues to seek new suppliers as well as explore ways of effectively partnering with its contractors and subcontractors to ensure the quality, on time delivery and the cost-effectiveness of its projects.

Rockwell Land maintains an in-house project development team that it has built over the past three completed residential projects. This team of about 70 employees with specialization in various engineering and architectural disciplines is tasked to ensure that projects are delivered on time according to a specified quality and budget. It manages the different projects by strictly monitoring project milestones in coordination with the general contractors and ensuring that issues during construction are resolved timely.

Some of Rockwell Land's manpower requirements for its retail, office and property management operations are outsourced to accredited services providers. This includes housekeeping, janitorial, security and maintenance personnel, among others. The service providers also go through a selection and accreditation process and regular evaluation in order to maintain the required service level.

RESEARCH AND DEVELOPMENT

The Company incurred very minimal amounts for activities related to research and development in the last three years which also did not amount to a significant percentage versus revenues.

INTELLECTUAL PROPERTY

The Company currently owns two (2) trademarks, namely, the ROCKWELL LAND & (stylized letter "R") LOGO, with validity until 28 April 2023:



and the THE GROVE BY ROCKWELL LAND & DEVICE, with validity until 06 October 2018:



The effectiveness of the trademarks is renewable another 10 years for each renewal.

As trademark owner, the Company alone has the right to use the trademarks in the real estate development business, and exclude any person or entity from exploiting the trademarks in the same business, or in the manner that will dilute or diminish the distinctiveness of the trademarks.

As of June 30, 2013, the Company has the following pending trademark application with the Intellectual Property Office.

Mark	Date Filed	Status
1. EDADES TOWER AND GARDEN VILLAS	Oct. 8, 2010	Pending
2. PROSCENIUM (WORDMARK)	Nov. 23, 2012	Notice of Allowance issued on Feb. 26, 2013
3. PROSCENIUM (LOGO)	Nov. 23, 2012	Notice of Allowance issued on Feb. 26, 2013
4. PRIMARIES A ROCKWELL COMPANY	Dec. 10, 2012	Notice of Allowance issued on Mar. 20, 2013
5. PRIMARIES	Dec. 10, 2012	Pending

The Company also owns business name registrations for “Power Plant Mall,” “Power Plant Cinema,” “The Proscenium at Rockwell,” and “205 Santolan by Rockwell”. Registering a business name with the Department of Trade and Industry precludes another entity engaged in the same or similar business from using the same business name as one that has been registered. A registration of a business name with Department of Trade and Industry shall be effective for five years from the initial date of registration.

The Company also recently amended its Articles of Incorporation to include in its corporate name “Doing business under the name and style of Powerplant Mall; Powerplant Cinemas; And Edades Serviced Apartments.”

INSURANCE CONTRACTS

Rockwell Land Corporation has various types of insurance coverage as enumerated in the table below.

INSURANCE COMPANY	LINE / TYPE / ASSET INSURED	SUM INSURED / COVERAGE	POLICY PERIOD
Malayan Insurance Company, Inc., Standard Insurance Co., Inc., Charter Ping An Insurance Corporation, Mercantile Insurance Company, UCPB General Insurance Company, PNB General Insurers Company, Inc., MAA General Assurance Philippines, Inc., The Solid Guaranty, Inc.	Collective Fire Policy/Commercial All Risk/ Rockwell Power Plant	₱4.2 billion	From: December 31, 2012 To: December 31, 2013
Mercantile Insurance Company	Casualty (Comprehensive General Liability)/ Rockwell Power Plant	₱50.0 million	From: December 31, 2012 To: December 31, 2013
PNB General Insurers	Casualty (Comprehensive	₱50.0 million	From: December 31,

INSURANCE COMPANY	LINE / TYPE / ASSET INSURED	SUM INSURED / COVERAGE	POLICY PERIOD
Company, Inc. Pioneer Insurance & Surety Corporation	General Liability)/ Rockwell Power Plant		2012 To: December 31, 2013
Mercantile Insurance Company	Fidelity Insurance/ Rockwell Power Plant Money, Security, Payroll and Records/ Rockwell Power Plant	₱3.5 million ₱0.3 million	From: December 31, 2012 To: December 31, 2013
Malayan Insurance Company, Inc., Oriental Assurance Corporation, Standard InsuranceCo., Inc., Mercantile Insurance Company, Inc., Charter Ping An Insurance Corporation, and UCPB, General Insurance Company, Inc.	Collective Fire Policy/Commercial All Risk//Rockwell Meralco BPO Venture	₱2.8 billion	From: December 31, 2012 To: December 31, 2013
Mercantile Insurance Company, Inc.	Fire Policy/ Commercial All Risk/ The Garage; The Kitchen; Rockwell Land Corp. (G/F-5 th Joya Lofts); The Grove Info Center	₱126.0 million	From: December 31, 2012 To: December 31, 2013
Pioneer Insurance & Surety Corporation, Oriental Assurance Corporation, Mercantile Insurance Company, Inc., UCPB General Insurance Company, Charter Ping An Insurance Corporation, PNB General Insurers Company, Inc., and MAA General Assurance Philippines, Inc.	Collective Fire Policy/Commercial All Risk/The Grove A&B	₱3.2 billion	From: September 1, 2012 To: December 31, 2013
Malayan Insurance Company, Inc., Mercantile Insurance Company, Inc., Seaboard Eastern Insurance Company, Inc., Prudential Guarantee Assurance Corporation, QBE Insurance (Philippines), Inc., and Republic Surety and Insurance Corporation	Contractors' All Risk/ The Grove Phase 2 Towers C, D, E & F (E & F- Substructure)	₱4.1 billion	From: January 2, 2012 To: June 30, 2015
Prudential Guarantee and Assurance, Inc.,	Contractors' All Risk/ Edades Tower and Garden Villas	₱4.1 billion	From: July 17, 2010

INSURANCE COMPANY	LINE / TYPE / ASSET INSURED	SUM INSURED / COVERAGE	POLICY PERIOD
Mercantile Insurance Company, Inc., Seaboard Eastern Insurance Company, Inc., Malayan Insurance Company, Inc., Republic Surety and Insurance Corporation, and UCBP General Insurance Company, Inc.			To: June 17, 2014
Mercantile Insurance Company, Inc., Malayan Insurance Company, Inc., and UCPB General Insurance Company, Inc.	Contractors' All Risk/ The Grove Phase 2 Towers E & F Superstructure	₱2.1 billion	From: August 15, 2013 To: December 15, 2015
QBE Insurance (Philippines), Inc., Malayan Insurance Company, Inc., and PNB General Insurers Company, Inc.	Contractors' All Risk/ 205 Santolan	₱858.5 million	From: January 2, 2012 To: February 28, 2014
Malayan Insurance Company, Inc., Mercantile Insurance Company, Inc., Seaboard Eastern Insurance Company, Inc., QBE Insurance (Philippines), Inc., Charter Ping An Insurance Corporation, Standard Insurance Co., Inc., and UCPB General Insurance Company, Inc.	Contractors' All Risk/ The Lopez Tower & Museum	₱2.4 billion	From: July 5, 2012 To: May 5, 2015
QBE Insurance (Philippines), Inc.	Contractors' All Risk/ Alvendia	₱197.7 million	From: March 8, 2013 To: December 31, 2014
Mercantile Insurance Company, Inc., QBE Insurance (Philippines), Inc., and Republic Surety and Insurance Corporation	Contractors' All Risk/ Rockwell Meralco BPO Tower 3	₱886.8 million	From: April 1, 2013 To: April 1, 2015
QBE Insurance (Philippines), Inc., Malayan Insurance Company, Inc., Ace-Cigna (Insurance Company of North America), Mercantile Insurance Company,	Contractors' All Risk/ The Proscenium – Phase 1a -b	₱13.9 billion	From: July 1, 2013 To: January 31, 2019

INSURANCE COMPANY	LINE / TYPE / ASSET INSURED	SUM INSURED / COVERAGE	POLICY PERIOD
Inc., and UCPB General Insurance Company, Inc.			
Mercantile Insurance Company, Inc.	Contractors' All Risk/ The Proscenium – 53 Benitez and/or Primaries Development Corporation Third Party Liability	₱ 843M ₱ 50M	From: June 1, 2013 To: February 01, 2016

REGULATORY AND ENVIRONMENTAL MATTERS

Real Estate Development

PD 957, otherwise known as The Subdivision and Condominium Buyers' Protective Decree, as amended, is the principal statute which regulates the development and sale of real property as part of a condominium project or subdivision. PD 957 covers subdivision projects and all areas included therein for residential, commercial, industrial and recreational purposes as well as condominium projects for residential or commercial purposes. The HLURB is the administrative agency of the Government which, together with local government units, enforces this decree and has jurisdiction to regulate the real estate trade and business.

All subdivision and condominium plans for residential, commercial, industrial and other development projects are subject to approval by the relevant local government unit in which the project is situated. The development of subdivision and condominium projects can commence only after the relevant Government body has issued the development permit. The issuance of a development permit is dependent on compliance with required project standards and technical requirements which may differ depending on the nature of the project.

Further, all subdivision plans and condominium project plans are required to be filed with and approved by the HLURB. Approval of such plans is conditional on, among other things, the developer's financial, technical and administrative capabilities. Alterations of approved plans which affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the relevant local government unit. Owners of, or dealers in, real estate projects are required to obtain licenses to sell before making sales or other dispositions of lots or real estate projects. Dealers, brokers and salesmen are also required to register with the HLURB. Violation of any of the provisions of PD 957 shall be punished by a fine of not more than ₱20,000.00 and/or imprisonment of not more than ten (10) years. Furthermore, project permits and licenses to sell may be suspended, cancelled or revoked by the HLURB, by itself or upon a verified complaint from an interested party, for reasons such as insolvency or violation of any of the provisions of PD 957. A license or permit to sell may only be suspended, cancelled or revoked after a notice to the developer has been served and all parties have been given an opportunity to be heard in compliance with the HLURB's rules of procedure and other applicable laws. Subdivision or condominium units may be sold or offered for sale only after a license to sell has been issued by the HLURB. The license to sell may be issued only against a performance bond posted to guarantee the completion of the construction of the subdivision or condominium project and compliance with applicable laws and regulations. All documents evidencing conveyances of subdivision and condominium units should be registered with the Register of Deeds. Title to the subdivision or condominium unit must be delivered to the purchaser upon full payment of the purchase price. Any mortgage existing thereon must be released within six months from the delivery of title.

Under the current Investment Priorities Plan issued by the Board of Investments, mass housing projects are eligible for government incentives subject to certain policies and guidelines.

RA 6552, otherwise known as the Realty Installment Buyer Act, was promulgated to protect buyers of real estate on installment basis by giving the buyers at least 60 days grace period within which to pay any unpaid

installments without any interest and by requiring the sellers of real estate to give the buyers a refund of at least 50% of the total payments made should the sale be cancelled and the buyers have paid at least two (2) years of installments. RA 6552 covers the business of Rockwell Land as it applies to all transactions or contracts involving the sale or financing of real estate through installment payments. The Company's business, financial condition and results of operations could be adversely affected by the material number of cancellations of unit sales in its projects.

Subdivision Projects

There are essentially two (2) different types of residential subdivision developments, which are distinguished by different development standards issued by the HLURB. The first type of subdivision, aimed at low-cost housing, must comply with Batas Pambansa Blg. 220, which allows for a higher density of building and relaxes some construction standards. Other subdivisions must comply with PD 957, which sets out standards for lower density developments. Both types of development must comply with standards regarding the suitability of the site, road access, necessary community facilities, open spaces, water supply, sewage disposal system, electrical supply, lot sizes, length of housing blocks and house construction.

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

Further, RA 7279 otherwise known as the Urban Development and Housing Act, requires developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least 20% of the total subdivision area or total subdivision project cost, at the option of the developer, within the same or adjacent regions, whenever feasible, and in accordance with the standards set by the HLURB.

Failure to comply with the aforesaid requirement will result in non-issuance of the license to sell for the project.

Condominium Projects

RA 4726, otherwise known as The Condominium Act, as amended, likewise regulates the development and sale of condominium projects. RA 4726 requires the annotation of the master deed on the title of the land on which the condominium project shall be located. The master deed contains, among other things, the description of the land, building/s, common areas and facilities of the condominium project.

A condominium project may be managed by a condominium corporation, an association, a board of governors or a management agent, depending on what is provided in the declaration of restrictions of the condominium project. However, whenever the common areas are held by a condominium corporation, such corporation shall constitute the management body of the project.

Property Registration

The Philippines has adopted a system of land registration, which conclusively confirms land ownership that is binding on all persons. Once registered, title to the registered land can no longer be challenged except with respect to claims noted on the certificate of title. Title to registered lands cannot be lost through possession or prescription. Presidential Decree No. 1529, otherwise known as the Property Registration Decree, as amended, codified the laws relative to land registration to strengthen the Torrens System and streamline and simplify registration proceedings and the issuance of certificates of title.

After proper surveying, application, publication, service of notice and hearing, unregistered land may be brought under the system by virtue of judicial or administrative proceedings. In a judicial proceeding, the Regional Trial Court within whose jurisdiction the land is situated confirms title to the land. Persons opposing the registration may appeal the judgment within 15 days to the Court of Appeals or the Supreme Court. After

the lapse of the period of appeal, the Register of Deeds may issue an Original Certificate of Title. The decree of registration may be annulled on the ground of actual fraud within one (1) year from the date of entry of the decree of registration.

Similarly, in an administrative proceeding, the land is granted to the applicant by the DENR by issuance of a patent and the patent becomes the basis for issuance of the Original Certificate of Title by the Register of Deeds. All land patents (i.e. homestead, sales and free patent) must be registered with the appropriate registry of deeds since the conveyance of the title to the land covered thereby takes effect only upon such registration.

Any subsequent transfer or encumbrance of the land must be registered in the system in order to bind third persons. Subsequent registration and a new transfer certificate of title in the name of the transferee will be granted upon presentation of certain documents and payment of fees and taxes.

All documents evidencing conveyances of condominium units should also be registered with the Register of Deeds. Title to the subdivision or condominium unit must be delivered to the purchaser upon full payment of the purchase price. To evidence ownership of condominium units, a Condominium Certificate of Title is issued by the Register of Deeds.

Nationality Restrictions

The Philippine Constitution limits ownership of land in the Philippines to Filipino citizens or to corporations the outstanding capital stock of which is at least 60% owned by Philippine Nationals. While the Philippine Constitution prescribes nationality restrictions on land ownership, there is generally no prohibition against foreigners owning building and other permanent structures. However, with respect to condominium developments, the foreign ownership of units is limited to 40% by RA 4726 and the Philippine Constitution. No transfer or conveyance of a condominium unit shall be valid if the concomitant transfer of the appurtenant membership or stockholding in the condominium corporation will cause the alien interest in such corporation to exceed the aforesaid limits. Furthermore, the president or managers and directors or trustees of corporations or associations who falsely simulate the existence of such minimum stock or capital as owned by Filipino citizens, corporations, or associations shall be punished by imprisonment of not less than five nor more than fifteen years and by a fine not less than the value of the right, franchise or privilege, but in no case less than ₱5,000 (Section 2, Anti-Dummy Law).

Zoning and Land Use

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

Under RA 6657, otherwise known as the Comprehensive Agrarian Reform Law of 1988, as amended, and the regulations issued thereunder by the DAR, land classified for agricultural purposes as of, or after, 15 June 1988, cannot be converted to non-agricultural use without the prior approval of DAR. Any person who knowingly or willfully violates this provision or any of the provisions of RA 6657 shall be punished by imprisonment of not less than one (1) month to not more than three (3) years, or a fine of not less than ₱1,000.00 and not more than ₱15,000.00, or both, at the discretion of the court.

Real Property Taxation

Real property taxes are payable annually based on the property's assessed value. The assessed value of property and improvements vary depending on the location, use and the nature of the property. Residential land in Makati City is assessed at 12% of its fair market value, while commercial land is assessed at 40% of its fair market value. Residential land in Pasig City is assessed at 20% of its fair market value, while commercial

land is assessed at 50% of its fair market value. Residential land in Quezon City is assessed at 18% of its fair market value, while commercial land is assessed at 45% of its fair market value. Residential land in San Juan City is assessed at 20% of its fair market value, while commercial land is assessed at 50% of its fair market value.

Residential buildings in the Makati City, Pasig City, Quezon City and San Juan City are currently assessed at 60% of their fair market value, while commercial buildings are assessed at 80% of its fair market value.

Residential machineries in Makati City, Pasig City and San Juan City are assessed at 50% of its fair market value, while commercial machinery is assessed at 80% of its fair market value. Residential machinery in Pasig City is assessed at 50% of its fair market value while commercial machinery is assessed at 80% of its fair market value. Industrial machineries in Quezon City is assessed at 50% of its fair market value, while commercial machinery is assessed at 70% of its fair market value.

Current real property taxes rates in Makati City, Pasig City, San Juan City and Quezon City are currently pegged at 1.5% of the assessed value of the property for residential and 2% of the assessed value of the property for commercial. In Quezon City, however, an additional 0.5% is imposed on land with assessed value of more than ₱100,000.00 effective January 25, 2012. An additional special education fund tax of 1% of the assessed value of the property is also levied annually.

Shopping Malls

Shopping mall centers are regulated by the local government unit of the city or municipality where the establishment is located. In line with this, mall operators must secure the required business permit before operating. In addition, no mall shall be made operational without complying first with the provisions of RA 9514, or the Revised Fire Code of the Philippines of 2008, and other applicable local ordinances. Furthermore, shopping malls with food establishments must obtain a Sanitary Permit. Failure to secure the necessary permits will also result in the non-renewal of the business permit.

Investments in Tourism

To encourage private Filipino and foreign investments which generate significant employment opportunities for the country, the Omnibus Investment Code of 1987 or Executive Order No. 226 grants those who invest in priority investment areas, various fiscal incentives. Among these priority investment areas is Tourism, which includes the operation tourist accommodation facilities.

The Board of Investments is in charge of implementing the grant of fiscal incentives under the Omnibus Investment Code and evaluates, approves and monitors all applicants who wish to be a registered enterprise entitled to avail of the following incentives, subject to their compliance to the terms and conditions of their registration: (i.) income tax holiday for four (4) years from commercial operation of a non-pioneer enterprise or for six (6) years from commercial operation of a pioneer enterprise; (ii.) an additional deduction from its taxable income of fifty percent (50%) of the wages corresponding to the number of direct labor for skilled and unskilled workers for the first five (5) years from the registration of the enterprise; (iii.) exemption from taxes and duties on imported capital equipment; (iv.) tax credit on the purchase of domestic capital equipment; and (v.) exemption from Contractor's Tax, among others.

Special Economic Zone

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

An Ecozone may contain any or all of the following: industrial estates, export processing zones, free trade zones, and tourist/recreational centers. PEZA registered enterprises locating in an Ecozone are entitled to

fiscal and non-fiscal incentives such as income tax holidays and duty free importation of equipment, machinery and raw materials. After the income tax holiday, the PEZA registered enterprise is subject to 5% gross income tax in lieu of all taxes, subject to conditions.

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

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

Environmental Laws

Development projects that are classified by law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain an ECC prior to commencement. The DENR through its regional offices or through the Environmental Management Bureau (“EMB”) determines whether a project is environmentally critical or located in an environmentally critical area. As a requisite for the issuance of an ECC, an environmentally critical project is required to submit an Environmental Impact Study (“EIS”) to the EMB while a project in an environmentally critical area is generally required to submit an Initial Environmental Examination (“IEE”) to the proper DENR regional office. In the case of an environmentally critical project within an environmentally critical area, an EIS is required. The construction of major roads and bridges are considered environmentally critical projects for which EISs and ECCs are mandated.

The EIS refers to both the document and the study of a project’s environmental impact, including a discussion of the direct and indirect consequences to human welfare and ecological as well as environmental integrity. The IEE refers to the document and the study describing the environmental impact, including mitigation and enhancement measures, for projects in environmentally critical areas.

While an EIS or IEE may vary from project to project, as a minimum, it must contain all relevant information regarding the project’s environmental effects. The entire process of organization, administration and assessment of the effects of any project on the quality of the physical, biological and socio-economic environment as well as the design of appropriate preventive, mitigating and enhancement measures is known as the EIS System. The EIS System successfully culminates in the issuance of an ECC. The issuance of an ECC is a Government certification that the proposed project or undertaking will not cause a significant negative environmental impact, that the proponent has complied with all the requirements of the EIS System and that the proponent is committed to implement its approved Environmental Management Plan in the EIS or, if an IEE was required, that it shall comply with the mitigation measures provided therein.

Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund (“EGF”) when the ECC is issued to projects determined by the DENR to pose a significant public risk to life, health, property and the environment or where the project requires rehabilitation or restoration. The EGF is intended to meet any damages caused by such a project as well as any rehabilitation and restoration measures. Project proponents that prepare an EIS are mandated to include a commitment to establish an Environmental Monitoring Fund (“EMF”) when an ECC is eventually issued. In any case, the establishment of an EMF must not be later than the initial construction phase of the project. The EMF shall be used to support the activities of a multi-partite monitoring team which will be organized to monitor compliance with the ECC and applicable laws, rules and regulations.

Aside from the EIS and IEE, engineering geological and geo-hazard assessment are also required for ECC applications covering subdivisions, housing and other land development and infrastructure projects. Any person, corporation or partnership found in violation of this requirement, or the terms and conditions in the

issuance of the ECC, shall be punished by the suspension or cancellation of his/its certificate and/or a fine in an amount not to exceed ₱50,000.000 for every violation thereof.

All development projects, installations and activities that discharge liquid waste into and pose a threat to the environment of the Laguna de Bay Region are also required to obtain a discharge permit from the Laguna Lake Development Authority Authority (“LLDA”). Disapproved applications or suspended or revoked discharge permits shall not grant any right or privilege to the applicant or former permit holder to discharge its liquid waste into the environment. If the applicant proceeds to discharge despite disapproval of application or suspension/revocation of discharge permit, LLDA may direct the discharger to discontinue from further discharging its liquid waste into the lake or its tributary rivers, or stoppage of discharger's operations, and impose the fines and penalties at the existing rate applicable and provided for by law, without prejudice to criminal prosecution under applicable laws.

EMPLOYEES

As of June 30, 2013, Rockwell Land and its subsidiary had a total of 1,124 employees, including 564 organic employees and 560 non-organic (contractual and agency) employees. The breakdown of organic employees per business unit is as follows:

Business Units	Number of Employees
Residential Development	396
Commercial Leasing	66
Shared	102
TOTAL	564

The organic employees can be broken down by function as follows:

Function	Number of Employees
Operational	275
Technical	211
Administrative	78
TOTAL	564

The Company has no collective bargaining agreements with employees and none of the Company’s employees belong to a union.

The Company provides employees with training and other development programs to effectively carry-out their jobs and to prepare them for career advancement in the Company.

The estimated number of employees for year-end 2013 is as follows:

Business Units	Number of Employees
Residential Development	469
Commercial Leasing	68

Shared	115
TOTAL	652

The organic employees anticipated by the Company by the end of 2013 can be broken down by function as follows:

Function	Number of Employees
Operational	313
Technical	225
Administrative	114
TOTAL	652

MATERIAL AGREEMENTS

The following are summaries of the material terms of the principal contracts related to the Company's real estate business and should not be considered to be a full statement of the terms and provisions of such contracts. Accordingly, the following summaries are subject to the full text of each contract. Other than these, the Company is not a party to any contract or agreement of material importance and outside the usual course of business and the Board of Directors do not know of any such contract or agreement involving the Company.

Acquisitions of Property

TCT No. 011-2010001452

On January 23, 2008, Rockwell Land purchased from the General Milling Corporation a 54,279 square meter lot along E. Rodriguez Jr. Avenue (C-5) in Pasig City on an "As Is, Where Is" basis.

General Milling Corporation guaranteed the Company's continuous possession of the property as the property is free and clear of any liens and encumbrances, adverse claims, easements, agreements, contracts, options or any arrangements granting any person the right to acquire ownership of or to use or occupy the property. It further warranted that there are no informal settlers, illegal occupants or illegal settlers in the property.

Rockwell Land shouldered the registration fees, transfer expenses and 50% percent of the documentary stamps tax. General Milling Corporation, in turn, paid the capital gains tax, expanded withholding tax, value-added tax, agent's commission, 50% of the documentary stamps tax and the real property tax up to December 31, 2007.

TCT Nos. S-98543, S-98544 and S-98546

On November 08, 2011, Rockwell Land and Futura Realty Incorporated executed a Deed of Absolute Sale on the 35,886 square meter lot located along J.P. Rizal Street corner Estrella Street in Barangay Guadalupe Viejo right across the Joya Lofts and Towers and the Manansala Towers.

Parties agreed that the purchase price for the said property shall be paid in installments for a span of almost 10 years. The value-added tax, documentary stamp tax, transfer fees and registration expenses on the transfer of the property and real property tax accruing after the execution of the said Deed shall be for the account of Rockwell Land. The Company shall also withhold 6% of creditable withholding tax from its payments to Futura Realty Incorporated.

The balance of the purchase price is partially secured by a series of Stand-By Letters of Credit in the amount of ₱2.4 billion issued by the Metropolitan Bank and Trust Company and First Metro Investment Corporation in favor of Futura Realty Incorporated. These Stand-By Letters of Credit provides for a cross default provision wherein the Stand-By Letters of Credit shall automatically be due and payable in the event that the Company's other obligation/s is not paid when due or a default in any other agreement shall have occurred, entitling the holder of the obligation to cause, such obligation to become due prior to its stated maturity.

TCT Nos.(452204) 16577, (452205) 16578, and (452206) 16579

On October 11, 2012, Rockwell Land and CGA Realty Development Corporation executed a Deed of Absolute Sale of three parcels of land with an aggregate area 4,883 square meters bounded by Vito Cruz, D. Vicencio and F. Salvador Streets located in Barangay Sta. Lucia, San Juan City.

The value-added tax, documentary stamp tax, transfer fees and registration expenses on the transfer of the property was shouldered by Rockwell Land.

TCT No. 107-2010001967

On November 27, 2012 Rockwell Land purchased from Jolabco, Inc. a 20,523 square meter lot located at Lahug, Cebu City.

Jolabco, Inc. guaranteed that the property is free and clear of any liens and encumbrances, adverse claims, easements, agreements, contracts, options or any arrangements granting any person the right to acquire ownership of or to use or occupy the property. It further warranted that there are no informal settlers, illegal occupants or illegal settlers in the property.

Rockwell Land shouldered the registration fees, transfer expenses and the documentary stamps tax. On the other hand, Jolabco, Inc. shouldered the capital gains tax.

TCT Nos. 195910 and 195911

On July 18, 2013 Rockwell Land purchased from Mr. Edison Tan Cheung a 962 square meter lot located along J.P. Rizal Avenue, Poblacion, Makati City. Rockwell Land shouldered the registration fees, transfer expenses and the documentary stamps tax while Mr. Edison Tan Cheung agreed to shoulder the capital gains tax, withholding tax and/or business tax, whichever is applicable.

TCT Nos. 138873 and 112481

On June 13, 2013 Rockwell Land and the spouses Tivo Cheung and Letty Lim-Cheung executed a Deed of Absolute Sale of two parcels of land with an aggregate area 1,003 square meters located along J.P. Rizal Avenue, Poblacion, Makati City.

The spouses Tivo Cheung and Letty Lim-Cheung guaranteed that the property is free and clear of any liens and encumbrances, adverse claims, easements, agreements, contracts, options or any arrangements granting any person the right to acquire ownership of or to use or occupy the property. The spouses further warranted that there are no informal settlers, illegal occupants or illegal settlers in the property.

Rockwell Land shouldered the registration fees, transfer expenses and the documentary stamps tax. On the other hand, the spouses Tivo Cheung and Letty Lim-Cheung agreed to shoulder the capital gains tax, withholding tax and/or business tax, whichever is applicable.

Loan Agreements

Notes Facility Agreement

Rockwell Land entered into a ₱10.0 billion Notes Facility Agreement dated November 28, 2012 with First Metro Investment Corporation and PNB Capital & Investment Corporation as Joint Lead Arrangers, Metropolitan Bank & Trust Company – Trust Banking Group as Facility Agent and Collateral Trustee and the Philippine National Bank – Trust Banking Group as the Paying Agent. The Notes Facility Agreement is limited to a maximum of 19 Note Holders (as defined in the Notes Facility Agreement). The net proceeds from the issuance of the Notes (as defined in the Notes Facility Agreement) are being used for the financing of the acquisition of properties for development and to refinance certain obligations of the Rockwell Land.

The Notes are fixed corporate notes and shall constitute as a direct and unconditional obligation of the Company secured by the MTI. The Notes were priced and purchased at 100% percent of their face value. The transfer, assignment and negotiability of the Notes shall be restricted to not more than 19 Note Holders of record at any time. The Notes shall be transferable only in the books of the Paying Agent.

Any legal action, suit or proceeding arising out of or relating to the Notes Facility Agreement shall be exclusively brought before the proper courts in Makati City or Pasay City.

Joint Venture Agreement and other related agreements

Joint Venture Agreement between Rockwell – Meralco BPO Venture

On March 25, 2008, Meralco and Rockwell Land entered into a Joint Venture Agreement with respect to the property in the Meralco-Ortigas complex, Pasig City covered by TCT No. (210867) 12101, also known as the Rockwell Business Center. Under the Joint Venture agreement, Meralco and Rockwell Land entered into agreements on property management over the property, the allocation of the ownership and the sharing of the rentals over the project development. Under the Joint Venture Agreement, the Parties will allocate the ownership of the Projects within 30 days from completion of each phase of the project.

On November 11, 2009, the Parties entered into an Allocation Agreement supplementing the Joint Venture agreement dated March 25, 2008, wherein the parties allocated the ownership over the completed second phase of the Project. Under the agreement, each floor had an allocation of 70% Rockwell Land - 30% Meralco sharing.

The 70-30 sharing agreement was subsequently amended to a conditional 80-20 sharing wherein 80% would be owned by Rockwell Land and 20% by Meralco. Under the new sharing agreement, the 80:20 ratio would revert to a 70:30 ratio should any of the following conditions occur, namely: 1) the rental rate reaches a weighted average rate of ₱600.00 per sq.m in the Rockwell Business Center and the occupancy rate in the Rockwell Business Center reaches at least 90% of the net leasable area; or 2) any financial combination of the above (1) or, 3) January 1, 2015, whichever comes first.

Finally, on December 17, 2009, the Parties entered into a Property Management Plan wherein the Parties appointed Rockwell Land as the property manager of the Rockwell Business Center. As Property Manager, Rockwell Land has general management and control over the venture in all stages, including marketing and promotions.

Customer-Related Contracts

Standard Contract to Sell

The standard Contract to Sell of Rockwell Land for the sale of its condominium units is the repository of the provisions that are intended to govern the relationship of the parties until the parties finally execute a Deed of Absolute Sale. It contains a technical description of the unit, and it states the agreed purchase price and terms of payment thereof. It has a lengthy section regarding default, which contains provisions that expound on the rights and responsibilities of the parties in the event that the purchaser is unable to remit any one of his or her installment payments. Taxes and fees, such as value added tax and registration fees, are expressly stipulated in the contract to be for the account of the purchaser. There is a section on delivery, which discusses when the

unit is deemed to be constructively delivered to the purchaser. Provisions also are included which state that the purchaser agrees to be bound by the Master Deed of the condominium, the articles of incorporation and by-laws of the Condominium Corporation, and pertinent laws such as the Condominium Act. Finally, there is a section that contains miscellaneous provisions that pertain to items such as transfer of rights, leasing to third parties, modification of the contract, and venue of suits.

Standard Deed of Absolute Sale

The standard Deed of Absolute Sale of Rockwell Land for the sale of its condominium units (the “Deed”) is executed upon full payment of all installments due for the purchase of the unit. It contains a technical description of the unit, and it states the agreed purchase price thereof. The purchase of a unit expressly includes the acquisition of an interest in the common areas of the condominium project, and also of membership interest in the condominium corporation. The Deed provides that the units shall be used exclusively for residential purposes only. It is expressly provided that taxes and fees, such as value added tax and registration fees, shall be for the account of the purchaser. The sale is explicitly made subject to restrictions provided in the Master Deed and Declaration of Restrictions, the articles of incorporation and by-laws of the Condominium Corporation, and pertinent laws such as the Condominium Act. In the event that the purchaser desires to sell or otherwise transfer the unit to another person, the Developer, Condominium Corporation, or any member of the Condominium Corporation has a right of first refusal to acquire the unit. The purchaser is expressly made subject to certain restrictions and covenants contained in this Deed and in the Master Deed, and violation of any of these shall be a cause for the cancellation or rescission of the sale. The Deed contains a separability clause, which provides that if one or more of its provisions is declared invalid or illegal, the validity or legality of the other provisions shall not be affected or impaired thereby. Finally, it is provided that should the purchaser seek relief in court for the enforcement of the Deed, the parties agree that they submit to the jurisdiction of the proper courts of Makati City.

Mall Space Lease

Standard Power Plant Mall Contract of Lease

The Company has entered into lease contracts for its commercial properties. The remaining lease terms range between two (2) and six (6) years. All leases generally include rental escalation clauses on an annual basis according to prevailing market conditions. As disclosed in Note 26 of the audited consolidated financial statements as of December 31, 2012, future minimum lease revenues are as follows:

Year	Future Minimum Lease Revenues
2013	₱ 536.2 million
2014	₱ 135.1 million
2015	₱ 70.7 million
2016	₱ 39.5 million
2017 and after	₱ 37.6 million
Total	₱ 819.2 million

The Contract of Lease of Rockwell Land is the standard contract that is used by the company when leasing out its commercial spaces at the Power Plant Mall to interested third parties. The contract identifies the size and location of the leased premises, and it states the period and the rates for the lease thereof. The method of computation of the rental rates varies, depending on the type of business of the lessee, as well as on specifically agreed upon terms. It also identifies various charges aside from the rental that the lessee shall be liable for, such as utility charges and common area charges. It provides the procedure to be followed for the renewal of the contract, should the company desire to renew it. With regard to taxes, it clearly classifies what taxes are for the account of the company, and which ones are for the account of the lessee. It also specifies

that the lessee shall deduct from all lease rentals paid to the company five percent (5%) withholding tax, as provided for under BIR Revenue Regulation no. 2-98, as amended .

Aside from rentals and taxes, the contract also covers various other items that shall govern the parties thereto. The contract contains a provision on insurance, and it requires that the lessee insure, among others, its stock in trade, and all glass forming part of the leased premises. Certain representations and warranties on the part of the lessee are listed down in the contract, but prominent among these is that the lessee shall consistently operate its business at the leased premises with a standard of quality equal, if not superior to, the standard being maintained by its top three competitors in Metro Manila. Regarding use and care of the leased premises, the contract states that it is to be exclusively used for the purpose expressly stated therein, and it shall be maintained in good and tenantable condition. The contract expressly mandates that the lessee shall strictly comply with the rules and regulations of the national and city governments, Rockwell Center, and the Mall. It also expressly outlines the lessor's exclusive rights, such as the erection or alteration of any structure to be located on any adjoining or neighboring property. Finally, the contract provides for the rights and responsibilities of the parties in the event of pre-termination, termination, and expiration of the contract.

Construction Agreements

Contract for Superstructure Works of The Grove Phase 2 (Podium and Tower C & D)

On December 1, 2012, Rockwell Land sent a Letter of Award/Notice to Proceed to Hilmarc's Construction Corporation, advising them that they had been chosen to undertake the construction of the Superstructure of The Grove, located at No. 117 E. Rodriguez, Jr. Ave., Lot 1, Brgy. Ugong, Pasig City. Hilmarc's Construction Corporation, through its President, Mr. Robert B. Henson, gave their written conformity thereto on March 19, 2013.

The parties agreed that the contract sum shall be in the amount of ₱1.6 billion, inclusive of expanded value added taxes and other necessary duties, fees, and taxes payable based on the monthly accomplishment of construction works. Rockwell Land agreed that no performance bond shall be required from Hilmarc's Construction Corporation for the project. The project is scheduled to be completed by December 29, 2014.

Contract for Superstructure Works of Edades Tower and Garden Villas

On August 5, 2011, Rockwell Land sent a Letter of Award/Notice to Proceed to Hilmarc's Construction Corporation, advising them that they had been chosen to undertake the construction of the Superstructure of the Edades Tower and Garden Villas, located at Rockwell Center, Makati City. Hilmarc's Construction Corporation, through its President, Mr. Robert B. Henson, gave their written conformity thereto on August 15, 2011.

The parties agreed that the contract sum shall be in the amount of ₱1.9 billion inclusive of expanded value added taxes and other necessary duties, fees, and taxes payable based on the monthly accomplishment of construction works. Rockwell Land agreed to waive the submission of any performance bond by Hilmarc's Construction Corporation, subject to certain conditions. The project is scheduled to be completed by February 14, 2014.

Contract for Main (General Works & Preliminaries and Measured Works) Works for Lopez Tower and Museum

On January 07, 2013, Rockwell Land sent a Letter of Award/Notice to Proceed to Hilmarc's Construction Corporation, advising them that they had been chosen to undertake the Main Contract Works for Lopez Tower and Museum Project, located in Block 9, Rockwell Center, Makati City. Hilmarc's Construction Corporation, through its President, Mr. Robert B. Henson, gave their written conformity thereto on March 19, 2013.

The parties agreed that the contract sum shall be in the amount of ₱0.7 billion inclusive of expanded value added taxes and other necessary duties, fees, and taxes payable based on the monthly accomplishment of construction works. Rockwell Land agreed to waive the submission of any performance bond by Hilmarc's

Construction Corporation, subject to certain conditions. The project is scheduled to be completed by December 15, 2014.

Insurance Contracts

Rockwell Business Center, Pasig

Rockwell Land has a Collective Fire (Commercial All Risk) insurance policy with Mercantile Insurance Company, Inc., QBE Insurance (Philippines), Inc., and Republic Surety and Insurance Corporation as joint insurers. The insured entity is fully identified as “Rockwell Land-Meralco BPO Venture and/or Rockwell Land Corporation and/or subsidiary, affiliated, controlled companies now or hereafter formed or acquired or constituted or for which the insured has responsibility for securing insurance” and the location of risk is the Rockwell Business Center, Meralco Compound, Pasig City. The total sum insured is ₱2.8 billion, while the total premium is ₱5.3 million. The period of insurance is from December 31, 2012 to December 31, 2013. The specific properties insured are the superstructure, the substructure, of the North Tower and the West Tower, the machinery and equipment of Towers I and II, and the machinery and equipment used in common by Towers I and II in the Rockwell Business Center. Loss of profit following physical loss or damage to property, which results to business interruption, is likewise insured. Coverage of the insurance is all risk of physical loss or damage including, but not limited to the following: fire and lightning; earthquake fire/earthquake shock; typhoon, windstorm, storm; flood; extended coverage (vehicle impact, falling aircraft and smoke damage); riot strike civil commotion and malicious damage; broad water damage; accidental bursting and/or overflowing of water tanks, pipes or apparatus; sprinkler leakage; subsidence and landslide; volcanic eruption; bush fire; impact by marine vessel; spontaneous combustion; and tidal wave or tsunami.

Rockwell Center, Makati

Rockwell Land has another Collective Fire (Commercial All Risk) insurance policy with Malayan Insurance Company, Inc., Standard Insurance Co., Inc. Charter Ping An Insurance Corporation, Mercantile Insurance Company, UCPB General Insurance Company, PNB General Insurers Company, Inc., MAA General Assurance Philippines, Inc., The Solid Guaranty, Inc as joint insurers. The insured entity is fully identified as “Rockwell Land Commercial Center and/or Rockwell Land Corporation and/or subsidiary, affiliated, controlled companies now or hereafter formed or acquired or constituted or for which the insured has responsibility for securing insurance” and the location of the risk is the Rockwell Center Compound, Amapola corner Estrella Streets, Barangay Bel-Air, Makati City. The total sum insured is ₱4.2 billion, while the total premium is ₱7.8 million. The period of insurance is from December 31, 2012 to December 31, 2013. The properties insured are all real and personal property of every kind and description owned by the insured or held in trust or on commission or for which the insured has or has assumed responsibility or in which he has an insurable interest, including all properties usual to the insured’s business. Loss of profit following physical loss or damage to property, which results to business interruption, is likewise insured. Coverage of the insurance is all risk of physical loss or damage including but not limited to the following: fire and lightning; earthquake fire/ earthquake shock; typhoon, storm, windstorm; flood; extended cover (vehicle impact, falling aircraft and smoke damage); riot, strike, civil commotion and malicious damage; broad damage; accidental bursting and/or overflowing of water tanks, pipes or apparatus; sprinkler leakage; subsidence and landslide; volcanic eruption; bush fire; impact by marine vessel; spontaneous combustion; and tidal wave or tsunami.

The Grove Towers A & B

Rockwell Land also has a Collective Fire (Commercial All Risk) insurance policy with Pioneer Insurance & Surety Corporation, Oriental Assurance Corporation, Mercantile Insurance Company, Inc., UCPB General Insurance Company, Charter Ping An Insurance Corporation, PNB General Insurers Company, Inc., and MAA General Assurance Philippines, Inc. as joint insurers. The insured entity is fully identified as “The Grove A & B and/or Rockwell Land Corporation and/or subsidiary, affiliated, controlled companies now or hereafter formed or acquired or constituted or for which the insured has responsibility for securing insurance” and the location of the risk is along C-5 Road, Pasig City. The total sum insured is ₱3.1 billion, while the premium is ₱1.6 million. The period of insurance is from September 1, 2013 to December 31, 2013. The properties insured are all real

and personal property of every kind and description owned by the insured or held in trust or on commission or for which the insured has or has assumed responsibility or in which he has an insurable interest, including all properties usual to the insured's business. Coverage of the insurance is all risk of physical loss or damage including but not limited to the following: fire and lightning; earthquake fire/ earthquake shock; typhoon, storm, windstorm; flood; extended cover (vehicle impact, falling aircraft and smoke damage); riot, strike and malicious damage; broad water damage; accidental bursting and/or overflowing of water tanks, pipes or apparatus; sprinkler leakage; civil commotion; subsidence and landslide; volcanic eruption; bush fire; impact by marine vessel; spontaneous combustion; and tidal wave or tsunami.

The Grove (Phase II, Towers C, D, E & F Substructure)

Rockwell Land has a Contractors' All Risk insurance policy with Malayan Insurance Company, Inc., Mercantile Insurance Company, Inc., Seaboard Eastern Insurance Company, Inc., Prudential Guarantee Assurance Corporation, QBE Insurance (Philippines), Inc., and Republic Surety and Insurance Corporation as joint insurers. The insured entity is fully identified as "Rockwell Land Corporation and/or main contractors and/or sub contractors" and the location of the risk is along C-5 Road, Pasig City (Construction Boundaries only). The sum insured is ₱4.1 billion for Material Damage and ₱75.0 million for Third Party Liability, while the premium is ₱10.3 million. The period of insurance is from January 2, 2012 to June 30, 2015.

The Grove (Phase II, Towers E & F Superstructure)

Rockwell Land has a Contractors' All Risk insurance policy with Malayan Insurance Company, Inc., Mercantile Insurance Company, Inc., UCPB General Insurance Company, Inc. as joint insurers. The insured entity is fully identified as "The Grove Towers E & F and/or Rockwell Land Corp., as the principal, Main Contractor, Sub-contractors, Managing Consultants, Architects, Designers, Engineers and/or subsidiary, affiliated, controlled companies now or hereafter formed or acquired or constituted for which the insurance has responsibility for securing insurance, in respect of their site activities only" and the location of the risk is along E. Rodriguez Jr. Ave., Brgy. Ugong, Pasig City. The sum insured is ₱2.1 billion for Material Damage and ₱75 million for Third Party Liability, while the premium is ₱4.7 million. The period of insurance is from August 15, 2013 to December 15, 2013.

Edades Tower and Garden Villas

Rockwell Land has a Contractors' All Risk insurance policy with Prudential Guarantee and Assurance, Inc., Mercantile Insurance Company, Inc., Seaboard Eastern Insurance Company, Inc., Malayan Insurance Company, Inc., Republic Surety and Insurance Corporation, and UCPB General Insurance Company, Inc. as joint insurers. The insured entity is fully identified as "Rockwell Land Corporation and/or Edades Tower and Garden Villas as the Principal, Main Contractor, Sub-contractors, Managing Consultants, Architects, Designers, Engineers and/or subsidiary, affiliated, controlled companies now or hereafter formed or acquired or constituted for which the insurance has responsibility for securing insurance" and the location of the risk is Rockwell Center, Barangay Bel-Air, Makati City. The sum insured is ₱4.1 billion for Material Damage and ₱50 million for Third Party Liability, while the premium is ₱11.4 million. The period of insurance is from July 17, 2010 at 12:00 p.m. to June 17, 2014 at 12:00 p.m.

205 Santolan

Rockwell Land has a Contractors' All Risk insurance policy with QBE Insurance (Philippines), Inc., Malayan Insurance Company, Inc., and PNB General Insurers Company, Inc. as joint insurers. The insured entity is fully identified as "Rockwell Land Corporation as the Principal, Main Contractor, Sub-contractors, Managing Consultants, Architects, Designers, Engineers and/or subsidiary, affiliated, controlled companies now or hereafter formed or acquired or constituted for which the insurance has responsibility for securing insurance" and the location of the risk is Santolan Road, Barangay Valencia, New Manila, Quezon City. The sum insured is ₱858.5 million for Material Damage and ₱25 million for Third Party Liability, while the premium is ₱1.7 million. The period of insurance is from January 2, 2012, to September 30, 2013.

The Alvendia

Rockwell Land has a Contractors' All Risk insurance policy with QBE Insurance (Philippines), Incorporated. The insured entity is fully identified as "The Alvendia By Rockwell Land and/or Rockwell Land Corporation as the Principal, Main Contractor, Sub-contractors, Managing Consultants, Architects, Designers, Engineers and/or subsidiary, affiliated, controlled companies now or hereafter formed or acquired or constituted for which the insurance has responsibility for securing insurance" and the location of the risk is along V. Cruz Street, San Juan, Metro Manila. The sum insured is ₱197.7 million for Material Damage and ₱25.0 million for Third Party Liability, while the premium is ₱406,774.62. The period of insurance is from March 18, 2010 to October 31, 2014.

Lopez Tower & Museum

Rockwell Land has a Contractors' All Risk insurance policy with Malayan Insurance Company, Inc., Mercantile Insurance Company, Inc., Seaboard Eastern Insurance Company, Inc., QBE Insurance (Philippines), Inc., Charter Ping An Insurance Corporation, Standard Insurance Co., Inc., and UCPB General Insurance Company, Inc. as joint insurers. The insured entity is fully identified as "The Lopez Tower and/Rockwell Land Corporation" and the location of the risk is at Blk. 9, Rockwell Land Drive, Rockwell Center, Bel-Air, Makati City (construction boundaries only)". The sum insured is ₱2.4 billion for Material Damage and ₱100 million for Third Party Liability, while the premium is ₱5.5 million. The period of insurance is from July 5, 2012, to May 5, 2015.

Rockwell Meralco BPO Tower 3

Rockwell Land has a Contractors' All Risk insurance policy with Mercantile Insurance Company, Inc., QBE Insurance (Philippines), Inc., and Republic Surety and Insurance Corporation as joint insurers. The insured entity is fully identified as "Rockwell Meralco BPO Venture (Tower 3) and/or Rockwell Land Corporation as the Principal, Main Contractor, Sub-contractors, Managing Consultants, Architects, Designers, Engineers and/or subsidiary, affiliated, controlled companies now or hereafter formed or acquired or constituted for which the insurance has responsibility for securing insurance" and the location of the risk is along Ortigas Avenue, (inside Meralco Compound) Pasig City. The sum insured is ₱886.8 million for Material Damage and ₱50 million for Third Party Liability, while the premium is ₱2.4 million. The period of insurance is from April 1, 2013, to April 1, 2015.

The Proscenium Phase 1 a-b

Rockwell Land also has a Contractors' All Risk insurance policy with QBE Insurance (Philippines), Inc., Malayan Insurance Company, Inc., Ace-Cigna (Insurance Company of North America), Mercantile Insurance Company, Inc., and UCPB General Insurance Company, Inc. as joint insurers. The insured entity is fully identified as "Rockwell Land Corporation as the Principal, Main Contractor, Sub-contractors, Managing Consultants, Architects, Designers, Engineers and/or subsidiary, affiliated, controlled companies now or hereafter formed or acquired or constituted for which the insurance has responsibility for securing insurance" and the location of the risk is at Rockwell Center, Barangay Bel-Air, Makati City. The sum insured is ₱13.9 billion for Material Damage and ₱100 million for Third Party Liability, while the premium is ₱46.3 million. The period of insurance is from July 1, 2013, to January 31, 2019.

DESCRIPTION OF PROPERTIES

The Company, in the course of its business, has invested in various properties for its existing and future development projects. It has also entered into a joint venture with Meralco for Rockwell Business Center, an office development project in Ortigas.

Following is the list of properties owned by the Company as of June 30, 2013. The list excludes properties which have been completed or have been launched as development projects since titles of properties in these projects have already been or will be transferred to the buyers and/or the respective condominium corporations.

The Company continues to look for properties for acquisition or for joint ventures in order to pursue its business.

	<u>Location</u>	<u>Description and use</u>
Land and improvements		
Power Plant Mall TCT 226084 – Lot 1 TCT 006-2010000148 – lot 2	Rockwell Center, Makati	Retail
Estrella lots TCT No. 216284 TCT No. 216285 TCT No. 217460 TCT No. 216738 TCT No. 220085 TCT No. 220081 TCT No. 220327 TCT No. 220082 TCT No. 220080 TCT No. 220083 TCT No. 214808 TCT No. 220084 TCT No. 218136 TCT No. 217461	Estrella St., Makati City	Company use (office)
Grove retail TCT 006-2012000840 TCT 006-2012000841	The Grove, Pasig City	Company use (office) and retail
Various retail spaces Manansala CCT No. 84144 CCT No. 84143 CCT No. 84146 CCT No. 84145 Joya CCT No. 106482 CCT No. 106483 CCT No. 106484 CCT No. 106485 CCT No. 106486 CCT No. 106487 CCT No. 106490	The Manansala, Joya Lofts and Towers, One Rockwell, #38 Rockwell Drive -- all within Rockwell Center, Makati	Retail

CCT No. 106491 CCT No. 106492 CCT No. 106493 CCT No. 106494 CCT No. 106496 CCT No. 106497 CCT No. 106498 CCT No. 106499 One Rockwell CCT No. 2011002066 CCT No. 2011002882 #38 Rockwell CCT No. 77838 CCT No. 77839 CCT No. 77840 CCT No. 77841 CCT No. 77842 CCT No. 77843 CCT No. 77844 CCT No. 77845		
Land for development		
Lopez Tower (Block 9) TCT 213553 TCT 213552	Rockwell Center, Makati	Ongoing construction
Proscenium TCT No. 006-2011001457 TCT No. 006-2011001458 TCT No. 006-2011001459	Makati City	Mixed use development
205 Santolan TCT 004-2011012680 TCT 004-2011012420 TCT 004-2011011994 TCT 004-2011011550 TCT 004-2011012113 TCT 004-2011011055 TCT 004-2011011367 TCT 004-2011013051	Quezon City	Residential development
53 Benitez TCT 004-2013005405 (Owned by Primaries Development Corporation)	Quezon City	Residential development
Alvendia TCT 012-2013000109 TCT 012-2013000110 TCT 012-2013000111	San Juan	Residential development
Cebu TCT NO. 107-2013000433 TCT NO. 107-2013000609 TCT NO. 107-2013000646 TCT NO. 107-2013000674 TCT NO. 107-2013000675 TCT NO. 107-2013000676 TCT NO. 107-2013002123	Lahug, Cebu City	Residential development

Rockwell Lumber TCT 195910-195911 TCT 13887 and 112481	Makati City	Residential development
Sto Tomas TCT T-167223	Sto. Tomas, Batangas	Residential Development

LEGAL PROCEEDINGS

As of the date of this Prospectus, the Company and its subsidiaries are subject to various civil and criminal lawsuits and legal actions arising in the ordinary course of business. However, the Company and its subsidiary do not consider any of these as material as they will not affect the daily operations of its business, nor will they exceed 10% of the current assets of the Company and its subsidiary or have any material effect on the financial position of the Company and its subsidiary.

MARKET PRICE OF AND DIVIDENDS ON COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

MARKET INFORMATION

As of the date of this Prospectus, the Company has an authorized capital stock of ₱9.0 billion consisting of 8,890,000,000 Common Shares, each with a par value of ₱1.00 and 11,000,000,000 Preferred Shares, with a par value of ₱0.01, and its issued share capital is at ₱6,255,882,344 consisting of 6,228,382,344 Common Shares (of which ₱6,101,762,198 consisting of 6,101,762,198 Common Shares are outstanding) and 2,750,000,000 Preferred Shares. The Common Shares are listed and traded in the PSE since May 11, 2012.

(In Php)	2012		2013	
	High	Low	High	Low
1 st Quarter	-	-	3.48	2.49
2 nd Quarter*	4.90	2.60	3.03	2.09
3 rd Quarter**	4.31	3.09	2.29	1.73
4 th Quarter	3.41	2.39		

*starting only on May 11 (date of PSE Listing) for 2012

** up to September 17, 2013 only for 2013

As of September 16, 2013, the closing price of the Company's shares of stock is ₱ 1.80 per share.

HOLDERS OF THE COMPANY'S COMMON SHARES

The following sets out the names of the top 20 stockholders holders of Common Shares of the Company on June 30, 2013.

Name of Stockholder	Relationship	Common Shares	
		Number of Common Shares	Percentage (%)
1. First Philippine Holdings Corporation	Shareholder	5,296,015,375	86.79%
2. PCD Nominee Corporation (Filipino)	Shareholder	589,458,921	9.66%
3. PCD Nominee Corporation (Foreign)	Shareholder	56,352,103	0.92%
4. Board of Administrator-ESOP	Shareholder	17,832,261	0.29%
5. Manuel M. Lopez	Director	6,327,585	0.10%
6. Josefina S. Lubrica	Shareholder	3,953,243	0.06%
7. Concepcion, Raul Joseph, &/or Raul Anthony Concepcion &/or Raul Patrick Concepcion &/or Raul Stephen Concepcion &/or Rica C. Araneta	Shareholder	2,182,018	0.04%
8. Yan, Lucio W.	Shareholder	1,136,324	0.02%
9. Charlotte Cua Cheng	Shareholder	886,422	0.01%
10. Avesco Marketing Corporation	Shareholder	801,574	0.01%

11. B.P. Insurance Agency, Inc.	Shareholder	792,139	0.01%
12. Jesus P. Francisco	Shareholder	725,632	0.01%
13. Makati Supermarket Corporation	Shareholder	677,238	0.01%
14. Croslo Holdings Corporation	Shareholder	584,297	0.01%
15. Simeon Y. Tan	Shareholder	458,804	0.01%
16. Guillermo N. Tantuco &/or Clarita C. Tantuco	Shareholder	456,000	0.01%
17. Jose Ignacio A. Carlos	Shareholder	455,667	0.01%
18. Lozano A. Tan	Shareholder	422,730	0.01%
19. Virgilio C. Flordeliza	Shareholder	385,105	0.01%
20. Antonino T. Aquino &/or	Shareholders	377,231	0.01%
Others (Aggregate)	Shareholders	121,481,529	1.99%
Total Issued and Outstanding		6,101,762,198	100.00%

As of the date of this Prospectus, FPHC owns 100% of the Company's issued and outstanding Preferred Shares.

HOLDERS OF THE COMPANY'S PREFERRED SHARES

The Company is also authorized to issue 11,000,000,000 Preferred Shares under such terms as are provided in its amended articles of incorporation. Of this total number of Preferred Shares, 2,750,000,000 Preferred Shares are issued and outstanding as of the date of this Prospectus, FPHC holds all of the outstanding Preferred Shares.

DIVIDEND

Under Philippine law, dividends may be declared out of a corporation's unrestricted retained earnings which shall be payable in cash, in property, or in stock to all stockholders on the basis of outstanding stock held by them. The amount of retained earnings available for declaration as dividends may be determined pursuant to regulations issued by the SEC. The approval of the Board of Directors is generally sufficient to approve the distribution of dividends, except in the case of stock dividends which requires the approval of stockholders representing not less than 2/3 of the outstanding capital stock at a regular or special meeting duly called for the purpose.

RECORD DATE

The Company's amended by-laws provide that dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property or stock to all shareholders on the basis of outstanding stock held by them, as often and at such times as the Board of Directors may determine and in accordance with law and applicable rules and regulations. No fractional shares shall be issued from any declaration of stock dividends.

DIVIDEND POLICY

Subject to the preferential dividend right of the Preferred Shares, each holder of a Common Share is entitled to such dividends.

The Board of Directors during the organizational meeting on August 29, 2013 have adopted a dividend policy of declaring as dividends 20% of prior year's Net Income after Tax (NIAT).

The Company's amended by-laws provide that the Board of Directors shall have the power and authority to fix and determine and from time to time vary, the amount to be reserved as working capital, to meet contingencies, to provide for the utilization of dividends and/or for other purposes, to such extent, in such manner and upon such terms as the Board of Directors shall deem expedient in order to determine the part of the nets profits or surplus which shall be declared and paid as dividends; and generally to fix and determine the use and disposition of any net profits or surplus.

The Preferred Shares currently outstanding will earn a cumulative dividend of 6% per annum. The Preferred Shares do not participate in dividends declared in relation to Common Shares.

NOTES FACILITY AGREEMENT

Under the Notes Facility Agreement dated November 27, 2012, the Company, without the written consent of the Majority Noteholders (as this term is defined in the Notes Facility Agreement), shall not declare, pay or distribute dividends to its stockholders (other than dividends payable solely in shares of its capital stock) if payment of any sum due is in arrears or such declaration, payment or distribution shall result in a violation of the Current Ratio (as this term is defined in the Notes Facility Agreement) of 1:1 and the consolidated Debt-to-Equity Ratio (as this term is defined in the NFA) not exceeding 2.0x.

DIVIDEND HISTORY

The Company has declared dividends in the past, the last of which was in July 04, 2013. The Company declared a ₱0.0368 cash dividend per Common Share to stockholders of record as of July 25, 2013, payable on or before August 20, 2013.

Year	Common	Preferred
2009	₱0.032 per share	
2012		₱0.0015 per share
August 20, 2013	₱0.0368 per share	

The Board of Directors declares cash dividends primarily on the basis of the following factors:

- The Company's results of operations for the previous year and its current financial condition including but not limited to its cash level, debt level and available retained earnings
- The Company's investment plans and/or projected capital expenditure level for the ensuing year or other relevant periods
- Covenants on dividend payments which the Company is required to meet relating to any of its financing arrangements

RECENT SALES OF UNREGISTERED OR EXEMPT SECURITIES (INCLUDING RECENT ISSUANCE OF SECURITIES CONSTITUTING AN EXEMPT TRANSACTION)

On December 12, 2007, the Board of Directors and the stockholders representing at least two-thirds of the Company's outstanding capital stock approved the increase in authorized capital stock from ₱6.0 billion to ₱9.0 billion divided into 8,890,000,000 Common Shares with a par value of ₱1.00 each and 11,000,000,000 Preferred Shares with a par value of ₱0.01 each. The increase in authorized capital stock was approved by the SEC on July 28, 2008.

Subscription for shares of capital stock of a corporation in pursuance of an increase in its authorized capital stock, when no expense is incurred, no commission, compensation or remuneration is paid or given in connection with the sale or disposition of such securities, and only when the purpose for soliciting, giving or taking of such subscriptions is to comply with the required minimum 25% subscribed capital stock, is exempt from registration under the SRC. No notice or confirmation of exemption is required to be filed for the issuance of shares pursuant to an increase in authorized capital stock.

On May 2, 2012 and August 3, 2012, the Board of Directors and the stockholders, respectively, approved the implementation of the Employee Stock Ownership Plan ("ESOP") to be offered to all regular employees of the Parent Company including employees seconded to other affiliates or other individuals that the Board of Administrators may decide to include. The aggregate number of ESOP shares that may be issued shall not at any time exceed 3% of the issued capital stock of the Company on a fully diluted basis. The maximum numbers of shares a participant is entitled to shall be determined as a multiple of the gross basic monthly salary based on rank and performance for the year preceding the award. The option is exercisable anytime within the Option Term once vested. The exercise price per share subject to an award granted shall be fixed at ₱1.46, which is the initial listing price of the Company. The ESOP was approved by the SEC on December 6, 2012 and was communicated to the employees on January 3, 2013.

The listing of the additional 192,630,881 shares to cover ESOP was granted by PSE on September 13, 2013.

As of the date of this Prospectus, only 15,000,000 shares out of 63,740,000 options granted last January 03, 2013 have been exercised and fully paid.

Total issued and outstanding shares now total to 6,116,762,198 of common shares and 2,750, 000,000 of Preferred Shares.

SELECTED FINANCIAL INFORMATION

The selected financial information set forth in the following tables has been derived from the Company's unaudited interim condensed consolidated financial statements as of June 30, 2013 and December 31, 2012 and for the six months ended June 30, 2013 and 2012 and its audited consolidated financial statements as of December 31, 2012 and 2011 and January 1, 2011 and for the years ended December 31, 2012, 2011 and 2010. This should be read in conjunction with the unaudited interim condensed consolidated financial statements and audited consolidated financial statements annexed to this Prospectus, the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other financial information included herein.

The Company's unaudited interim condensed consolidated financial statements were prepared in compliance with PAS 34, "Interim Financial Reporting" and review by SGV & Co., in accordance with Philippine Standard on Review Engagement ("PSRE") 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". The Company's audited consolidated financial statements were prepared in accordance with the Philippine Financial Reporting Standards and were audited by SGV & Co., in accordance with Philippine Standards on Auditing ("PSA"). The consolidated statement of financial position amounts as at December 31, 2010 are equivalent to the amounts as at January 1, 2011 as presented in the audited consolidated financial statements, included in this Prospectus.

The summary financial information set out below does not purport to project the results of operations or financial condition of the Company for any future period or date.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

<i>In million pesos</i>	For the 6 months ended June 30		For the years ended December 31		
	2013	2012	2012	2011	2010
Revenues	3,237	2,576	6,842	6,252	4,971
Cost of Real Estate and Selling	(1,893)	(1,485)	(4,257)	(4,205)	(3,040)
General and Administrative Expenses	(490)	(428)	(872)	(739)	(671)
Interest Expense	(134)	(118)	(266)	(194)	(155)
Share in Net Income (Loss) in JV	51	48	98	80	(1)
Other Income (Expenses) - net	1	1	15	4	(9)
Income before Income Tax	772	594	1,561	1,198	1,094
Provision for Income Tax	(217)	(153)	(438)	(291)	(299)
Net Income	555	441	1,123	907	795
Other Comprehensive Income (Loss)	2	4	37	(22)	11
Total Comprehensive Income	557	445	1,160	885	806
Net Income Attributable To					
Equity Holders of the Parent Company	555	441	1,123	909	798
Non-Controlling Interests	-	1	-	(2)	(2)
Total Net Income	555	442	1,123	907	796
Total Comprehensive Income Attributable To					
Equity Holders of the Parent Company	557	444	1,160	887	808

Non-Controlling Interests	-	1	-	(2)	(2)
Total Comprehensive Income	557	445	1,160	885	806

For breakdown of revenues per operating segment and type of revenue, please refer to the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” located in Page 100 of this Prospectus.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<i>In million pesos</i>	June 30, 2013	December 31, 2012	December 31, 2011	December 31, 2010
Cash and cash equivalents	1,678	533	473	351
Trade and other receivables	3,778	3,478	2,566	2,345
Land and development costs	6,839	6,752	5,585	2,619
Other current assets ⁽¹⁾	3,235	1,603	1,339	1,361
Total current assets	15,530	12,366	9,963	6,676
Investment properties-net	4,664	4,954	4,731	4,454
Investment in joint venture	2,240	2,189	2,103	2,023
Other noncurrent assets ⁽²⁾	1,746	1,213	1,213	809
Total noncurrent assets	8,650	8,356	8,047	7,286
Total assets	24,179	20,722	18,010	13,962
Trade and other payables	4,208	3,247	2,625	2,139
Current portion of interest-bearing loans & borrowings	-	405	278	2,733
Current portion of installment payable	677	647	652	-
Income tax payable	29	25	33	33
Total current liabilities	4,914	4,324	3,588	4,905
Interest-bearing loans & borrowings	6,925	4,027	2,588	283
Installment payable	1,104	1,855	2,371	-
Other noncurrent liabilities ⁽³⁾	511	395	316	512
Total noncurrent liabilities	8,540	6,277	5,275	795
Total Liabilities	13,454	10,601	8,863	5,700
Equity Attributable To				
Equity Holders of the Parent Company	10,657	10,054	9,082	8,194
Non-Controlling Interests	68	67	66	68
Total Equity	10,725	10,121	9,148	8,262

Notes:

- (1) *Other current assets include advances to contractors, condominium units for sale and other current assets.*
- (2) *Other noncurrent assets include noncurrent trade receivables, property and equipment, available-for-sale investments, pension asset and other noncurrent assets.*
- (3) *Other noncurrent liabilities include deferred tax liabilities – net, pension liability and deposits and other liabilities.*

CONSOLIDATED STATEMENTS OF CASH FLOW

<i>In million pesos</i>	For the six months ended June 30		For the years ended December 31		
	2013	2012	2012	2011	2010
Net cash provided by (used in) operating activities	(309)	(533)	(412)	390	(35)
Net cash used in investing activities	(435)	12	(412)	(60)	(197)
Net cash provided by (used in) financing activities	1,889	401	884	(214)	157
Net increase (decrease) in cash and cash equivalents	1,145	(120)	60	122	(67)
Cash and cash equivalents, end of year	1,678	353	533	473	351

FINANCIAL RATIOS

<i>In million pesos</i>	For the six months ended June 30		For the years ended December 31		
	2013	2012	2012	2011	2010
Net cash provided by (used in) operating activities	(309)	(533)	(412)	390	(35)
Net cash used in investing activities	(435)	12	(412)	(60)	(197)
Net cash provided by (used in) financing activities	1,889	401	884	(214)	157
Net increase (decrease) in cash and cash equivalents	1,145	(120)	60	122	(67)
Cash and cash equivalents, end of year	1,678	353	533	473	351

Notes:

(1) EPS [Net Income attributable to Parent Company and common shares /number of common shares issued and outstanding]

(2) ROA [Net Income/Average Total Assets]

(3) ROE [Net Income/ Average Total Equity]

(4) Current ratio [Current assets/Current liabilities]

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

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

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

(8) Interest coverage ratio [EBITDA/Interest Payments]

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the Company's reviewed interim condensed consolidated financial statements as of June 30, 2013 and December 31, 2012 and for the six months ended June 30, 2013 and 2012 and its audited consolidated financial statements as of December 31, 2012 and 2011 and January 1, 2011 and for the years ended December 31, 2012, 2011 and 2010 annexed to this Prospectus. References to "2012," "2011" and "2010" refer to the years ended December 31, 2012, December 31, 2011 and December 31, 2010, respectively. The consolidated statement of financial position amounts as at December 31, 2010 are equivalent to the amounts as at January 1, 2011 as presented in the audited consolidated financial statements, included in this Prospectus. The Company's actual results going forward may differ materially from those presented in the Prospectus as a result of various factors including, but not limited to, those set out in the "Risk Factors" discussion. In evaluating the Company's business, investors should carefully consider all of the information contained in the Prospectus.

INTRODUCTION

Rockwell Land Corporation's net income after tax (NIAT) for the year ended December 31, 2012 amounted to ₱1.1 billion. The Company's net income grew by 19% compounded annually since 2010. As a percentage to revenues, this year's net income was at 16%, same as 2010 but slightly higher than 2011's 15%. 2011's 15% NIAT margin was mainly due from higher cost of real estate and selling of The Grove Towers A&B in Pasig City, which has a slightly lower margin compared to other projects like One Rockwell and Edades Tower and Garden Villas (Edades).

NIAT for the first six months of 2013 amounting to Php555.0 million was up by 26% from last year's Php442.1 million. NIAT margin was slightly higher at 17% due to higher sales and construction completion from Edades and 205 Santolan.

The following table shows the breakdown of the revenues by business segment for the periods 2010-2012.

	YTD June 2013	% to Total	YTD June 2012	% to Total	2012	% to Total	2011	% to Total	2010	% to Total
Residential Development ⁽¹⁾	2,722	84%	2,108	82%	5,876	86%	5,310	85%	4,104	83%
Commercial Leasing ⁽²⁾	515	16%	468	18%	966	14%	942	15%	867	17%
Total Consolidated Revenues	3,237	100%	2,576	100%	6,842	100%	6,252	100%	4,971	100%
Share in Net Income (Losses) in JV ⁽³⁾	51		48		98		80		(1)	

Note:

1. Revenues from this segment consist of the following projects in the years indicated: One Rockwell (2010 to 2011), The Grove Phase 1 (2010 to 2012), Edades (2011 to 2013), 205 Santolan (from June 2012 to 2013), The Grove Phases 2 & 3 (from November 2012 to 2013).
2. Amounts exclude revenues from RBC. Under the Accounting policy for a jointly controlled entity, results of operations of RBC is not consolidated line by line.
3. These amounts represent the Company's share in the net income after tax of RBC.

Total revenues grew to Php6.8 billion for the year ended December 31, 2012, growing at a compounded annual rate of 17% since 2010. Residential development accounts for 86% of the total revenues in 2012 from its 83% share in 2010, as more residential projects were simultaneously developed. Three residential projects started revenue recognition in 2012 namely: 205 Santolan (June 2012), Grove Phase 2 or Tower C & D (November 2012) and Grove Phase 3 or Tower E & F (December 2012).

Total consolidated revenues for the six months ending June 2013 amounting to Php3,237.4 million grew by 26% from last year's Php2,576.2 million.

Reservation sales for the year 2012 reached Php9.2 billion achieving a substantial growth of 87% vs. 2011's Php4.9 billion. Nearly half of 2012's sales come from new projects, Proscenium and 205 Santolan. As of year to date June 2013, reservation sales amounting to Php7.1 billion grew by 74% due to the launch of the first three towers of Proscenium (November 2012 and February 2013) as well as the strong demand for The Grove Phase 2 and 3.

EBITDA for the year ended December 31, 2012 amounting to Php2.1 billion represent 31% of total revenues. A lower EBITDA ratio to total revenues was reported for year 2011 at 26% because of The Grove project in Pasig City, which had higher costs of real estate and selling. EBITDA is derived by adding interest expense, depreciation and amortization and provision for income tax to Net Income. EBITDA has grown annually by 19% since 2010, where Residential Development grew faster at a rate of 23% vs. the 14% growth reported for Commercial Leasing. In the same year where EBITDA margin was at its lowest, at 26% of total revenues, EBITDA still grew by 9% vs. 2010's Php1.5 billion due to a significant improvement in the occupancy of the Rockwell Business Center (RBC) in 2011 when it reached 95% from 2010's 79%.

Residential Development accounts for 61% of 2012's total EBITDA, up from previous years. As of year to date June 2013, Residential Development accounts for 59%.

The ratio of cost of real estate and selling to total revenues registered at 62% vs. a high of 67% reported in 2011 due mainly from The Grove Towers A & B (refer to earlier discussion). As of year to date June 2013 and same period last year, the ratio was at 58%.

General and Admin Expenses (G&A) for the year ended December 31, 2012 amounting to Php871.7 million represent 13% of the total revenues, which is within the ratios reached in 2011 (12%) and 2010 (14%). The level was slightly higher in 2012 due to taxes relating to the Mortgage Trust Indenture (MTI) agreement to secure the Php4.0 billion corporate notes drawn in April 2011, which was later refinanced with the Php10.0 billion 7 year corporate notes drawn in tranches starting January 2013. While in 2011, the growth in G&A was coming from higher transfer fees of completed units to condominium corporations.

As of year to date June 2013, the G&A ratio was higher at 15% than the ratios reported for years ending 2010 to 2012 due to the recognition of expenses for the Employee Stock Option Plan (ESOP) granted in January 2013.

The Interest Expense amounting to Php266.2 million for the year 2012 was up by 38% due to the additional Php1.5 billion debt, which was part of the Php4.0 billion corporate notes entered in April 2011 to partially fund the land acquisition made from years 2011 to 2012. The Php4.4 billion debt level as of the end of 2012 has lower average interest rate of 6.6% p.a. vs. prior years 2011 (7.1% p.a.) and 2010 (8.8% p.a.), reflective of the strengthening economy in the Philippines.

As of June 2013, debt level amounting to Php6.9 billion has an average interest rate of 4.8% p.a., which is lower than June 2012's average of 6.8% p.a. Interest Expense grew by 14% as of year to date June 2013 due to the additional Php3.0 billion corporate notes drawn last March and May 2013, which was part of the Php10.0 billion corporate notes entered into last November 2012 for the refinancing of the old corporate notes drawn in 2011, to fund the office development projects, Lopez Tower (Makati City) and Tower 3 of RBC (Ortigas), and the remainder for land acquisition.

Other comprehensive income represents the fair value changes of the Company's available for sale investments and is directly charged to equity and remeasurement adjustment on pension.

Total Assets as of December 2012 amounted to Php20.7 billion. The increase of Php2.7 billion from year end 2011 was mostly from land acquisition, recognition of receivables from ongoing projects and higher development costs for The Grove Towers C to F and the run up of costs for 205 Santolan and Edades which are projects due for final completion within the next 6-9 months from the date of this prospectus.

Total Assets as of June 2013 grew to Php24.2 billion due to the additional debt drawn on the Php10.0 billion corporate notes. Other Current Assets grew due to collection from sale of Proscenium.

By the end of 2012, Net debt level was at Php3.9 billion which stands at 0.39x of total equity. Majority of the debt carried by the end of 2012 was a Php4.0 billion fixed-interest term loan drawn in April 2011 and 2012.

As a result of higher margins from residential & commercial projects in 2012, ROE increased to 11.7% compared to previous year's 10.4%.

The annualized ROE as of June 2013 was at 10.7%, higher than June 2012's 9.5%.

Below is a table showing the key performance indicators of the Company for 2010-2012.

KPI	June 2013	June 2012	Dec 2012	Dec 2011	Dec 2010
EBITDA (P)	1.0 billion	0.9 billion	2.1 billion	1.6 billion	1.5 billion
Current Ratio (x)	3.16	2.94	2.86	2.78	1.36
Net DE Ratio (x)	0.49	0.40	0.39	0.26	0.32
Asset to Equity Ratio (x)	2.25	1.98	2.05	1.97	1.69
Interest coverage ratio (x)	6.25	4.37	7.15	6.94	5.84
ROA	4.9%	4.8%	5.8%	5.7%	6.2%
ROE	10.7%	9.5%	11.7%	10.4%	10.2%
EPS (P)	0.09	0.07	0.18	0.15	0.13

Notes:

(1) EBITDA [Net Income + (Interest Expense, Provision for Income Tax, Depreciation & Amortization)]

(2) Current ratio [Current assets/Current liabilities]

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

(4) Assets to Equity Ratio [Total Assets/Total Equity]

(5) Interest coverage ratio [EBITDA/ Total interest payments]

(6) ROA [Net Income/Average Total Assets]. June 2012 and June 2013 are annualized figures.

(7) ROE [Net Income/ Average Total Equity]. June 2012 and June 2013 are annualized figures.

(8) EPS [Net Income Attributable to the Parent Company and common shares/number of common shares outstanding]

FOR THE 1ST HALF ENDED 30 JUNE 2013 AND 2012

RESULTS OF OPERATIONS

Rockwell Land Corporation ("the Company") registered Php3,237.4 million in consolidated revenues, up by 26% from last year's Php2,576.2 million. 81% of the revenues came from the sale of condominium units, including accretion of interest income.

Total EBITDA reached Php1,036.7 million, 17% higher than last year's Php885.4 million primarily driven by a 24% 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 59% and 41% to the total EBITDA, respectively.

Net income after tax registered at Php555.0 million, up by 26% from last year's Php442.1 million. NIAT margin remained at 17%.

Business Segments

Residential Development generated Php2,722.4 million, contributing 84% 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 half increased by 74% to Php7,091 million due to the launch of Proscenium last November 2012, as well as strong demand for The Grove Phases 2 & 3.

EBITDA from this segment amounted to Php608.1 million, 24% higher than the same period last year at Php491.4 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 Php515.0 million, 10% higher than 2012's Php468.6 million. This segment contributed 16% 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 Php399.2 million, accounting for 12% of total revenues. Retail operations include retail leasing, interest income and other mall revenues. About 89% of retail operations came from retail leasing amounting to Php357.0 million. Retail leasing grew by 7% due to rental escalation and replacement of old retail stores. Same stores sales growth was at 1% in the first half of 2013.
- Cinema Operations generated revenues of Php115.8 million accounting for 4% of total revenues. Cinema operations include Cinema ticket and snackbar sales, advertisement, interest income and other cinema revenues. It increased by 18% from last year's Php98.1 million mainly due to higher occupancy rate.
- Office Leasing, operated under the Rockwell-Meralco BPO Venture, generated gross revenues of Php145.7 million. This is 3% higher than 2012's Php141.2 million due to higher occupancy of the buildings from 97% to 98%. At its 80% share, the Company generated revenues of Php116.5 million and share in net income of Php50.6 million. The Php50.6 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 Php428.6 million and grew by 9% from the same period last year. Commercial leasing accounted for 41% of the Company's total EBITDA. EBITDA Margin to total segment revenues was 83%, slightly lower than last year's ratio of 84%.

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 continues to contribute 5% to the Company's total EBITDA.

Costs and Expenses

Cost of real estate and selling amounted to Php1,893.0 million. The cost of real estate and selling ratio to total revenues is at 58%, the same as last year. Selling expenses amounted to Php161.8 million which is 68% higher than 2012 due to ad placements and sales commissions.

General and administrative expenses (G&A) amounted to Php490.0 million, up by 15% from the same period last year. The increase was mainly attributable to increase in manpower headcount by 7% and recognition of expenses for Employee Stock Option Plan (ESOP) granted in January 2013.

Interest Expense amounted to Php134.5 million, 14% higher than last year's Php117.7 million. The increase was mainly due to the additional Php3 billion debt drawn last March and May 2013 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 6.8%.

Share in Net Income (Losses) in JV realized share in net income of RBC amounting to Php50.6 million from last year's income of Php47.6 million. The increase was mainly due to higher occupancy of 98% vs. 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 Php3.4 billion, net of VAT, for project and capital expenditures for the first six months of 2013, 17% higher than last year's Php2.9 billion. The expenditures consist mostly of development costs of Proscenium, The Grove Phase 2 & 3, 205 Santolan and Lopez Tower. This is expected to increase in the succeeding quarters as construction for RBC Tower 3 and Proscenium are expected to start.

FINANCIAL CONDITION

The Company's total assets as of June 30, 2013 amounted to Php24.2 billion, an increase by Php3.5 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. Other current assets increased to Php1.7 billion from Php515.8 million mainly due to collection of Proscenium receivables which is under escrow and higher prepaid sales and marketing costs.

Total Liabilities as of June 30, 2013 amounted to Php13.4 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 Php1.0 billion last March and May 2013 respectively, to finance its capital expenditures. Deposits from pre-selling of condominium units also increased from 2012's Php3.2 million to Php839.6 million mainly from pre-selling of the first three towers of Proscenium.

Current ratio as of June 30, 2013 increased to 3.18x from 2.86x as of December 31, 2012. Net debt to equity ratio is at 0.50x as of June 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 – 1st Half 2013 vs. 1st Half 2012

29% increase in Sale of condominium units

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

7% increase in Lease Income

Mainly due to rental escalation and higher rent from new stores.

44% 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 Dec 2012.

19% 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.

25% increase in Cost of Real Estate

Mainly due to recognition of higher completion of Edades, 205 Santolan projects and The Grove Phases 2 & 3.

15% increase in General and Administrative Expenses

Mainly attributable to increase in manpower headcount by 7% and recognition of ESOP expenses.

68% increase in Selling Expenses

Mainly due to higher marketing expenses coming from ad placements and sales commissions for The Grove and recognition of expenses from 205 Santolan and Proscenium.

14% increase in Interest Expense

Primarily due to the Php3 billion additional loans drawn last March and May 2013 to fund capital expenditures.

33% decrease in Foreign Exchange Gain

Due to minimal dollar position.

6% increase in Share in Net Income of Joint Venture

Due to higher average occupancy rate of 98% from last year's 97%.

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

215% increase in Cash and Cash Equivalents

Primarily due to Php 3.0 billion loan drawdown in March and May 2013.

9% increase in Trade and Other Receivable

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

40% increase in Advances to Contractors

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

192% 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.

222% increase in Other Current Assets

Mainly due to collection of receivables from Proscenium under escrow and higher prepaid sales and marketing costs.

25% increase in Non-current Trade Receivables

Due to completion of The Grove Phase 1.

19% increase in Available for sale investment

Mainly due to increase in fair value in stocks held.

6% decrease in Investment Properties

Due to reclassification of development cost of serviced apartments costs to construction in progress under property and equipment.

50% decrease in Defined benefit plan Assets

Due to recognition of actuarial loss on pension liability.

23% decrease in Other Non-current Assets

Due to decrease in deferred input vat.

79% increase in Property and Equipment Mainly due to reclassification of development cost of serviced apartments from investment properties.

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

Due to refinancing of the Php4B corporate notes therefore extending its first payment to October 2014.

16% increase in Income Tax Payable

Mainly due to the set-up of provision for 2nd qtr 2013 income tax payable.

72% increase in Interest Bearing Loan-net of current portion

Mainly due to the drawdown of the 2nd and 3rd tranches of corporate notes amounting to Php3.0 billion.

40% decrease in Non-current Portion of Installment Payable

Reclassification to current of the portion payable in June 2014.

10% increase in Deferred Tax Liabilities

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

46% increase in Pension Liability

Due to provision for retirement benefits for the first half of 2013.

46% increase in Deposits and Other Liabilities

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

Key Performance Indicators

<i>As indicated</i>	For the 1st half ended June 30	
	2013	2012
ROA (*)	4.9%	4.8%
ROE (*)	10.7%	9.5%
	June 30, 2013	As of December 31, 2012
Current ratio (x)	3.16	2.86
Debt to equity ratio (x)	0.65	0.44
Net debt to equity Ratio (x)	0.49	0.39
Asset to equity ratio (x)	2.25	2.05
Interest coverage ratio (x)	6.25	7.15

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

FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010

REVIEW OF 2012 VERSUS 2011

Total revenues amounting to ₱6.8 billion grew by 9% vs. last year's ₱6.3 billion. About 82% of the revenues came from sale of condominium units, including accretion of interest income, amounting to ₱5.6 billion. Reservation sales reached ₱9.2 billion achieving a substantial growth of 87% from previous year's ₱ 4.9 billion. Half of the Reservation Sales mainly came from new projects 205 Santolan and Towers Kirov and Sakura of Proscenium.

Total EBITDA amounted to ₱2.1 billion, which is 29% higher than last year's ₱1.6 billion. This year's growth was driven by Residential Development with growth of 49%vs. last year. Total EBITDA margin registered at 31% of total revenues in 2012, higher than 2011's 26% but slightly up from 2010's 30%. The growth was due to lower costs of real estate and selling for completed projects One Rockwell and The Grove Phase 1. EBITDA margin is derived by dividing EBITDA amount to consolidated revenues or segment revenues, whichever is used or specified. Contributions to total EBITDA from residential development and commercial leasing are currently at 61% and 39%, respectively.

Resulting net income after tax amounts to ₱1.1 billion, up by 24% from previous year's net income of ₱0.9 billion.

The net income after tax margin is at 16% of total revenues vs. previous year's 15%. The net impact of higher cost of real estate and selling ratio in 2011 was reduced by a lower tax provision in 2011. The effective income tax rate is lower than the statutory rate of 30% in 2012 due to the Company's share in the income of RBC, which is no longer subject to income tax.

Business Segments

The details of the individual performance of each business segment, in terms of revenues and EBITDA, are discussed as follows:

Residential Development contributed 86% of the total revenues of 2012. Total revenues reported from the sale of condominium units, including accretion of interest income, amounted to ₱5.6 billion. The 11% growth in this segment's revenue was primarily attributable to higher sales and percentage of completion of Edades and the start of revenue recognition for 205 Santolan in June 2012, The Grove Phase 2 in November 2012 and Phase 3 in December 2012, despite the drop in revenue contribution from One Rockwell's final completion in 2011 and from higher accomplishment from Towers A&B of The Grove in 2011 as it runs up to its final completion the year after.

Sales take up grew substantially by 87% to ₱9.2 billion from last year's ₱4.9 billion; with half of the sales coming from newly launched projects Kirov and Sakura Towers of Proscenium and 205 Santolan. The Company expects strong reservation sales to continue in 2013 with the launch of the third tower of Proscenium and the launch of the properties in Quezon City and San Juan City, which were both acquired in 2012.

EBITDA from this segment amounted to ₱1.3 billion and contributed 61% to the total EBITDA of ₱2.1 billion. EBITDA grew 49% due mainly from higher sales and construction completion of the ongoing projects and the lower cost of real estate ratio to total revenues from Towers A&B of The Grove in 2012 compared to last year, as costs from the latter reflect actual costs as it nears completion. Similarly in 2012, lower costs were used for 205 Santolan and Edades projects to reflect current prices.

Commercial Leasing revenues amount to ₱965.7 million, which is 3% higher than last year's revenues of ₱941.5 million. This segment contributes 14% to total revenues. This excludes the share in the joint venture (RBC) as this is reported as "Share in Net Losses (Income) of JV" under Other Income (Expenses) and not consolidated line by line in the consolidated financial statements.

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

- Revenues from Retail operations amount to ₱760.2 million and accounts for 11% of Total revenues. About 90% comes from retail leasing amounting to ₱688.2 million. It grew by 3% vs. last year's revenues of ₱737.9 million. This mainly resulted from rental escalation and the replacement of underperforming stores with new and better performing tenants. Same stores sales growth was at 5% in 2012.
- Cinema Operations amounted to ₱205.5 million and accounting for 3% of the total revenues. It slightly grew by 1% from last year's ₱203.6 million. This was driven by higher occupancy in 3D and 2D titles compared to last year.
- Office Leasing, operated under the Rockwell-Meralco BPO Venture, generated gross revenues of ₱289.7 million, which is 12% higher than last year's ₱258.1 million due to higher average occupancy of the buildings from 90% to 97%. At its 80% share, the Company generated revenues of ₱231.8 million and share in net income of ₱98.5 million. To reiterate, only the ₱98.5 million share in net income of RBC is reflected in the Company's consolidated statements of comprehensive income as "Share in Net Losses (Income) of JV".

The segment's EBITDA amounted to ₱810.7 million, which accounts for 39% of the total EBITDA of ₱2.1 billion. EBITDA grew by 6% from last year's EBITDA of ₱764.8 million. Margin to total segment revenues improved to 84% from last year's 81% as a result of the significant improvement in the office segment of the company. The total revenues used as basis for the EBITDA margin excludes gross revenues from the office leasing or RBC operations as the latter is reported separately under "Share in Net Losses (Income) of JV". By 2012, the Company reported higher revenues from the operations of the RBC. Share in net income in the joint venture contributes 5% to the Company's total EBITDA.

Costs and Expenses

Cost of real estate and selling amounted to ₱4.3 billion in 2012. The percentage to total revenues is at 62%, down from last year's 67% ratio. This is mainly due to higher margins derived from sold projects this year compared to previous year.

General and administrative expenses (G&A) amounted to ₱871.7 million and represent 13% of the total revenues, an increase from last years' ratio of 12%. The level of expenses grew by 18% vs. last year's ₱739.4 million. Higher G&A expenses were reported for manpower costs and taxes and licenses. Manpower costs increased due to increase in headcount to 173 from 154 regular employees for the Company's new projects. Taxes and Licenses grew by 41% due to taxes relating to the Mortgage Trust Indenture (MTI) agreement to secure the ₱4.0 billion corporate notes, and higher business permits.

Interest Expense amounted to ₱266.2 million, which is 38% higher than last year's ₱193.6 million. The increase was mainly due to the additional ₱1.5 billion debt secured to partially fund land acquisition. Average interest rate,

however, improved significantly with the 2nd tranche of corporate notes of ₱1.5 billion drawn on April 2012 with an annual fixed rate of 5.85% vs. the drawdown in April 2011 with interest rate of 7.33%. By the end of 2012, total debt amounting to ₱4.4 billion has an average interest rate of 6.57%, lower than last year's 7.1%.

Share in Net Losses (Income) of JV recorded a net income of ₱98.5million. This is a 23% improvement from last year's net income of ₱79.9 million. The improvement was mainly due to the level of average occupancy which increased from 90% to 97% in 2012. The share in net income is reported net of taxes and represents the Company's share in the operations generated by RBC.

Provision for Income Tax

Provision for income tax amounted to ₱437.6 million, which is 50% higher than last year's provision of ₱291.0 million. The increase in effective tax rate is primarily attributable to higher taxable income from residential development in 2012.

Project and capital expenditures

The Company spent a total of ₱7.3 billion net of VAT for project and capital expenditures in 2012, which is 67% higher than same period last year. The increase was primarily on development costs of ongoing projects.

FINANCIAL CONDITION

Total Assets as of December 31, 2012 amounted to ₱20.7 billion. It increased by ₱2.7 billion from last year's amount of ₱18.0 billion. Assets mainly grew from land acquisitions, recognition of receivables from ongoing projects and higher development costs. Land acquisitions were partially funded by a long-term loan facility drawn in April 2011. Bridge financing were availed starting August 2012 to fund development costs for Edades and Towers A&B of The Grove, as the latter approaches final completion by end of year. Other funding requirements were funded internally by revenue collections from commercial leasing.

Current ratio as of December 31, 2012 improved to 2.86x from 2.78x the previous year. Likewise, Net debt to equity ratio increased to 0.39x in 2012 from 0.26x in 2011.

Other Matters

The Company acquired a 3.1 hectare property in Cebu City in September 2012 and in Santo Tomas Batangas last November 2012. The latter was acquired to meet the requirements of the Economic and Socialized Housing Law found under Batas Pambansa 220. The Cebu property will be launched in 2013, together with the properties acquired in Quezon City and San Juan City.

The Company will launch its second brand, Primaries, by first the half of 2013. The 0.8 hectare property in Quezon City will become its first project.

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

STATEMENT OF COMPREHENSIVE INCOME ITEMS – 2012 VS. 2011

9% increase in Sale of Condominium Units

Mainly due to higher sales and construction completion from Edades and the start of revenue recognition for projects 205 Santolan in Quezon City and Towers C to F of The Grove in Pasig City.

24% increase in Interest Income

Mainly due to higher interest income accretion arising from residential development projects whose revenue recognition only started in 2012.

18% increase in General and Administrative Expenses

Mainly due to increased manpower expenses, taxes and licenses and depreciation of The Grove's Information Center.

8% decrease in Selling Expenses

Mainly due to lower amortization of prepaid marketing and commission expenses.

38% increase in Interest Expense

Primarily due to additional loans of ₱1.5 billion availed in April 2012 to fund land acquisitions.

23% increase in Share in Net Income of Joint Venture

Mainly due to positive operating results from RBC, arising from higher average occupancy level which increased from 90% to 97% in 2012 and higher rental rates negotiated for new tenants in 2012.

100% increase in Gain on Sale of Property & Equipment

Due to sale of Joya Garden Unit which was previously used in business operations.

7% increase in Foreign Exchange Gain

Resulted from the Company's effort to maintain minimal dollar positions throughout the year therefore reversing the previous year's recognized losses. The Company had fully collected all of its dollar-denominated receivables from sale of condominium units during the early part of 2011.

50% increase in Provision for Income Tax

Primarily attributable to higher taxable income.

P58.5 million increase in Other Comprehensive Income

Due to the recognition of actuarial gains related to pension liability and increase in fair market value of Manila Polo club shares held by the Company.

STATEMENT OF FINANCIAL POSITION ITEMS – 2012 VS. 2011

13% increase in Cash and Cash Equivalents

Primarily because of collection of final payment from the completion of Towers A&B of The Grove project.

36% increase in Trade and Other Receivable

The increase was attributable to additional receivables recognized from Edades, 205 Santolan and The Grove E&F, reduced by the collection of receivables from Towers A&B of The Grove.

49% decrease in Condominium Units for Sale

Primarily due to additional sale of One Rockwell units in 2012.

21% increase in Land and Development Cost

Mostly due to project costs incurred for ongoing projects (Edades, The Grove Phases 2 & 3 and 205 Santolan), including the acquisition of properties in cities of Cebu, Quezon and San Juan.

28% increase in Advances to Contractors

Primarily due to higher advanced payments for materials and mobilization for the ongoing construction of residential projects and Lopez Tower.

10% increase in Property & Equipment

Mainly due to the expansion of the Company's office space to provide for new projects, The Primaries, and the reclassification of the project costs of the information Center and retail areas located at The Grove in Pasig City.

14% increase in Other Current Assets

Primarily due to increase in other prepaid selling expenses for The Grove Phase 3, 205 Santolan and The Proscenium.

43% increase in Available for Sale Investments

Due to increase in the market value per share of Manila Polo Club shares.

5% increase in Investment Properties

Mainly due to costs incurred for the serviced apartments in Edades and the Lopez Tower.

19% decrease in Other Noncurrent Assets

Mainly due to amortization of Deferred Input VAT related to partial payment of The Proscenium land.

65% increase in Pension Liability

Mainly due to accrual of pension cost and recognition of actuarial loss.

24% increase in Trade and Other Payables

Mainly attributable to accrual of development costs of The Grove Phase 1 & 2, 205 Santolan and Edades projects.

45% increase in Current Portion of Interest Bearing Loan

The increase in the current portion of interest bearing loan are from the bridge loan facilities due in the first quarter of 2013.

56% increase in Non-current Portion of Interest Bearing Loan

The increase is mainly due to the modification of the existing P4B loan which extended the repayment terms of the existing loan.

224% increase in Deferred Tax Liabilities

Primarily due to increase in revenue recognition of Edades, The Grove 2 and 3 and 205 Santolan.

22% decrease in Non-current Portion of Installment Payable

Mainly due to the reclassification to current liability of the installment payment relating to the acquisition of Proscenium, due in June 2013.

21% decrease in Deposits and Other Liabilities

Mainly due to reclassification of Retail Security Deposits and Deferred Lease Income under current liabilities (under Trade & Other Payables). Security deposits and deferred lease income are advanced payment of retail tenants which will be refunded or applied to rentals at the end of their lease contract.

P4.1 million increase in Unrealized Gain on AFS investments

Mainly due to increase in fair market value of Manila Polo club shares held by the Company.

45% increase in Retained Earnings

Due to net income after tax of ₱1.12 billion, net of dividends paid to preferred shares of ₱4.1 million.

REVIEW OF 2011 VERSUS 2010

RESULTS OF OPERATIONS

Total revenues amounting to ₱6.3 billion grew by 26% vs. last year's ₱5.0 billion. About 82% of the revenues came from sale of condominium units, including accretion of interest income, amounting to ₱5.1 billion. Sales take up was still strong in 2011, although slightly lower than last year due to fewer higher-valued products available for sale in the market. Due to the continued strong take up of the Company's products in the market, the Company will launch two new projects in 2012.

Total EBITDA amounted to ₱1.6 billion, which is 9% higher than last year's ₱1.5 billion. This year's growth was driven by Commercial Leasing's office segment. The EBITDA margin registered at 26% of total revenues in 2011, which is lower compared to last year's 30% because higher costs of real estate and selling were recognized for The Grove due to higher construction completion in 2011 vs. same period last year. EBITDA margin is derived by dividing EBITDA amount to consolidated revenues or segment revenues, whichever is used or specified. Contributions to total EBITDA from residential development and commercial leasing are currently at 53% and 47%, respectively.

Resulting net income after tax amounts to ₱907.5 million, up by 14% from previous year's net income of ₱795.5 million.

The margin of net income after tax is at 15% of total revenues vs. previous year's 16%. The net impact of higher cost of real estate and selling ratio in 2011 was reduced by a lower tax provision in 2011. The effective income tax rate was lower in 2011 because the Company's share in the income of RBC is no longer subject to income tax.

Business Segments

The details of the individual performance of each business segment, in terms of revenues and EBITDA, are discussed as follows:

Residential Development contributes bulk of the total revenues of 2011. Total revenues reported from the sale of condominium units, including accretion of interest income, amount to ₱5.1 billion. This accounts for 82% of the total revenues of the Company. The 29% growth in segment revenue was primarily attributable to higher sales and percentage of completion of The Grove and the start of recognition in April 2011 of revenues from Edades, despite the significant drop from One Rockwell's completion in October 2011. Revenues recognized for any given period is a function of both the percentage of completion of construction works and the incremental sales recorded for the period.

Sales take up declined to ₱4.9 billion from last year's ₱6.4 billion as a result of having fewer inventories of higher-valued units by the start of the year. In terms of units sold, take up was only slightly lower by 8%. The Company expects to have significant growth in sales take up with the new projects from the recently acquired lots in Makati and Quezon City, which are both due for launch in 2012.

EBITDA from this segment amount to ₱857.1 million and contributes 53% to the total EBITDA of ₱1.6 billion. Despite high revenue growth, EBITDA grew at a slower pace of 1% due mainly from higher costs of real estate and selling expenses. Higher construction accomplishment for The Grove and Edades have increased both the cost of real estate and selling expenses, with the latter's amortization of prepaid commissions and marketing costs. The said amortization of prepaid costs and higher sales commissions grew in line with revenue growth, while marketing expenses grew faster to support the introduction in August 2011 of phase three or Towers E & F of The Grove.

Commercial Leasing revenues amount to ₱941.5 million, which is 9% higher than last year's revenues of ₱866.8 million. This segment contributes 15% to total revenues. This excludes the share in the joint venture (RBC) as this is reported as "Share in Net Losses (Income) of JV" under Other Income (Expenses) and not consolidated line by line in the consolidated financial statements.

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

- Retail Operations amount to ₱737.9 million and accounts for 12% of total revenues. About 89% comes from retail leasing amounting to ₱657.9 million. Retail leasing accounts for 11% of the total revenues of the company, which grew by 9% vs. last year's revenues of ₱603.6 million. This mainly resulted from rental escalation. Revenues from exhibits grew faster at 26%, generating full year revenue of ₱43 million. Same stores growth was at 5% in 2011.
- Cinema Operations amount to ₱203.6 million and it accounts for 3% of the total revenues. This grew by 3% from last year's ₱198.6 million. This was driven by higher occupancy of 3D and 2D tickets compared to the same period last year.
- Office Leasing, operated by the Rockwell-Meralco BPO Venture, generated gross revenues of ₱258.1 million, which is 73% higher than last year's ₱149.0 million due to higher occupancy of the buildings. At its 80% share, the Company generated revenues of ₱206.5 million and share in net income of ₱79.9 million. To reiterate, only the ₱79.9 million share in net income of RBC is reflected in the Company's consolidated statements of comprehensive income as "Share in Net Losses (Income) of JV".

The segment's EBITDA amounted to ₱764.8 million accounting for 47% of the total EBITDA of ₱1.6 billion. EBITDA grew by 22% from last year's EBITDA of ₱628.0 million. Margin to total segment revenues improved to 81% from last year's 72% as a result of the significant improvement in the office segment of the company. The total revenues used as basis for the EBITDA margin excludes gross revenues from the office leasing or RBC operations as the latter is reported separately under "Share in Net Losses (Income) of JV". By 2011, the Company reported for the first time a positive share in net income from the operations of the RBC. The improvement resulted from both higher average rental rates booked for new tenants and in the significant improvement of the level of occupancy from last year's 79% to this year's 95%. Share in net income in the joint venture contributes 5% to the Company's total EBITDA amounting to ₱1.6 billion.

Costs and Expenses

Cost of real estate and selling amounts to ₱4.2 billion in 2011. The percentage to total revenues is at 67%, up from last year's 61% ratio. This increase was due to higher construction completion of Towers A& B of The Grove whose margins are slightly lower compared to projects sold in Makati City. Selling expenses increased by 38% due to increased amortization of prepaid costs using the same percentage of construction completion and continued strong sales take-up performance which increased by 16% over same period last year.

General and administrative expenses (G&A) amount to ₱739.4 million and represents 12% of the total revenues, an improvement from the previous years' ratio of 14%. The level of expenses grew only by 10% vs. last year's ₱671.4 million. Higher expenses were reported for manpower costs and taxes and licenses. Manpower costs increased due to a 15% increase in headcount from last year's 134 to this year's 154. Taxes and Licenses grew by 39% due to business permit and payment of transfer and registration fees required in transferring titles of land to condominium corporations of fully sold projects.

Interest Expense amounted to ₱193.6 million, which is 25% higher than last year's ₱155.4 million. The increase was mainly due to additional ₱1.0 billion debt secured to partially fund land acquisition. Average interest rate, however, improved significantly with the refinancing of the ₱1.5 billion corporate notes of the RBC in April 2011 with fixed rate of 7.3% p.a. from the previous rate of 8.8% p.a.

By the end of 2011, total debt amounting to ₱2.9 billion has an average interest rate of 7.1% p.a., lower than last year's 7.8% p.a.

Share in Net Losses (Income) of JV recorded positive income of ₱79.9 million from last year's loss of ₱1.0 million. The improvement was mainly due to the level of occupancy which increased from 79% to 95% in 2011. The share in net income is reported net of taxes and represents the Company's share in the operations generated by RBC.

Provision for Income Tax

Provision for income tax amounted to ₱291.0 million, which is 3% lower than last year's provision of ₱298.9 million. The decrease in effective tax rate is primarily attributable to the share in net income of RBC which is not subject to income tax.

Project and capital expenditures

The Company spent a total of ₱4.4 billion net of VAT for project and capital expenditures in 2011, which is 13% higher than same period last year. The expenditures for 2011 consist of 46% land acquisition, 49% residential development cost, and 6% property and equipment costs.

Decreases in residential development cost came mostly from One Rockwell with the completion of the construction of the West Tower in October 2011. The significant increases were investments recorded for the Edades and The Grove projects.

FINANCIAL CONDITION

Total Assets as of December 31, 2011 amounted to ₱18.0 billion, which increased by ₱4.0 billion from last year's amount of ₱14.0 billion. Assets mainly grew from land acquisitions, recognition of receivables from ongoing projects and higher development costs. Land acquisitions were partially funded by a long-term loan facility drawn in April 2011. Bridge financing were availed throughout the year to fund development costs for The Grove. Other funding requirements were funded internally by revenue collections from commercial leasing.

Current ratio as of December 31, 2011 is healthy at 2.78x from 1.36x the previous year. Likewise, Net debt to equity ratio improved to 0.26x in 2011 from 0.32x in 2010.

Other Matters

The Company acquired a 1.8 hectare property along Santolan Road in Quezon City and a 3.6 hectare property at the corner of J.P. Rizal Avenue and Estrella Street in June 2011 and November 2011, respectively. These projects will be launched in the first quarter and second half of 2012, respectively. The first property will become the company's first townhouse development and the second property, Proscenium project, is meant to expand the Rockwell Center in Makati City with another mixed-used development.

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

STATEMENT OF COMPREHENSIVE INCOME ITEMS – 2011 VS. 2010

36% increase in Sale of Condominium Units

Mainly due from higher value of bookings and construction completion of Edades Tower and Garden Villas in Makati City and The Grove by Rockwell in Pasig City.

9% increase in Lease Income

Mainly due to rental escalation from leasing operations which grew by 9%. In addition, exhibit rental posted higher growth of 26% vs. same period last year. Same stores growth was at 5%.

9% decrease in Interest Income

Mainly due to lower interest income accretion arising from lower level of One Rockwell receivables

11% increase in Cinema Revenues

Mainly due to higher occupancy level and higher average ticket price. By April 2010, the Company has two theaters converted with 2D and 3D, which increased the average ticket price by 6%.

20% increase in Other Revenue

Mainly due to higher assignment fees from completed units of One Rockwell project, increase in parking revenue, and increase in rental revenues from the plaza tent.

38% increase in Cost of Real Estate

Due to both higher booking of sales and construction completion of The Grove Towers A & B and Edades. Significant increases were recorded for Edades as the project only started to recognize related costs in April 2011. Growth rate is consistent with the 36% growth in revenues recognized from the sale in condominium units vs. same period last year.

10% increase in General and Administrative Expenses

Mainly due to increased manpower expenses and taxes and licenses from costs to transfer titles of land to the respective condominium corporations of fully sold projects

38% increase in Selling Expenses

Mainly due to higher amortization of prepaid marketing and commission expenses, as a result of higher percentage of completion recognized for the period for both Edades and The Grove Phase 1 projects.

25% increase in Interest Expense

Primarily due to additional loans availed in April 2011 to partially fund P1.1 billion land acquisitions made starting June 2011.

8,623% increase in Share in Net Income of Joint Venture

Mainly due to positive operating results from RBC, arising from higher occupancy level which increased from 79% to 95% in 2011 and higher rental rates negotiated for new tenants in 2011.

120% increase in Foreign Exchange Gain

Resulted from the Company's effort to maintain minimal dollar positions throughout the year therefore reversing the previous year's recognized losses. The Company had fully collected all of its dollar-denominated receivables from sale of condominium units during the early part of 2011.

103% decrease in Mark-to-market Gain from Derivative Instruments

Mainly due to the lower outstanding derivative instruments within the year, \$ 900,000 vs. \$ 2.4 million in 2010.

307% decrease in Other Comprehensive Income

Due to the application of PAS 19 adjustment revising the recognition of actuarial gains/losses.

STATEMENT OF FINANCIAL POSITION ITEMS – 2011 VS. 2010

35% increase in Cash and Cash Equivalents

Primarily because of substantial collection of final payment from the completed One Rockwell project.

9% increase in Trade and Other Receivable

Mainly due to additional receivables recognized from phase 1 of The Grove, partially offset by the substantial collection from One Rockwell project.

113% increase in Land and Development Cost

Mainly due to land acquisition for Proscenium project (3.6 hectares) and Santolan property (1.8 hectare) having an aggregate amount of ₱4.0 billion.

377% increase in Condominium Units for Sale

Reclassification of completed units of One Rockwell from Land and Development Cost account due to its completion in October 2011.

18% decrease in Other Current Assets

Mainly due to reclassification to Other Noncurrent Assets of Input VAT amounting to P126.6 million which is expected to be recovered through a refund claim.

14% increase in Noncurrent Trade Receivables

Due to higher sales with payment terms extending to more than 1 year.

6% increase in Investment Properties

Mainly due to reclassification of the corresponding land and development costs of certain areas of The Grove (including Land), One Rockwell and Edades intended for leasing from Land and Development Cost account.

4% increase in Investment in Joint Venture

Due to the ₱79.9 million reported share in the income of RBC for 2011

100% decrease in Pension Asset

Due to recognition of actuarial losses on pension liability.

₱450.6 million increase in Other Noncurrent Assets

Mainly due to the recognition of the Deferred input vat from the acquisition of the Proscenium land amounting to ₱327.3 million, net of current portion, and the reclassification of input vat from Other Current Assets as previously discussed .

23% increase in Trade and Other Payables

Due to accrual of development costs of The Grove, increase in liability arising from excess collection over recognized receivables of Edades and higher retention payable of One Rockwell. Retention fees are withheld as security and will be released to the contractors after one (1) year from completion of the construction.

90% decrease in Current Portion of Interest Bearing Loan

Mainly due to the classification in last year's financial statements of the corporate notes amounting to ₱1.6 billion, where the balance was entirely reported as current in view of its refinancing in February 2011. A bridge loan was drawn in February 2011 to prepay the old corporate note and was repaid once the new corporate notes facility was entered into in April 2011.

100% increase in Current & Non-current portion of installment payable

The amount represents the present value of the installment payable relating to the acquisition of the Greater Rockwell property.

814% increase in Non-current Portion of Interest Bearing Loan

Primarily because of the new ₱2.5 billion corporate notes drawn by the Company in April 2011 used to refinance existing obligations of ₱1.5 billion and with the balance used to partially finance land acquisitions.

73% decrease in Deferred Tax Liabilities

Due to the substantial collection of final payment from the completion of One Rockwell project (East and West Towers)

18% decrease in Deposits and Other Liabilities

Mainly due to reclassification of retention fees payable related to One Rockwell project under current liabilities (under Trade and other payables). Retention fees are payable to the contractors normally after the expiration of the defect liability period of one year from the project's completion date.

54% increase in Retained Earnings

Mainly due to net income after tax of ₱907.5M

DIRECTORS, EXECUTIVE OFFICERS AND CONTROL PERSONS

DIRECTORS, EXECUTIVE OFFICERS AND MANAGEMENT

The overall management and supervision of the Company is undertaken by the Board of Directors. There are 11 members of the Board of Directors. The regular directors were elected during the annual meeting of the stockholders held on May 29, 2013, to serve for a term of one year and until their successors are elected and qualified.

As of the date of this Prospectus, the composition of the Company's Board of Directors is as follows:

Name	Age	Citizenship	Position	Year Position was Assumed
Manuel M. Lopez	71	Filipino	Chairman of the Board	1995
Oscar M. Lopez	83	Filipino	Chairman Emeritus	1995
Federico R. Lopez	52	Filipino	Vice Chairman	2012
Nestor J. Padilla	58	Filipino	Director	1997
Miguel Ernesto L. Lopez	44	Filipino	Director	2009
Eugenio L. Lopez III	61	Filipino	Director	1995
Manuel L. Lopez, Jr.	46	Filipino	Director	2011
Francis Giles Puno	49	Filipino	Director	2013
Ferdinand Edwin S. CoSeteng	50	Filipino	Director	2013
Manuel N. Tordesillas	60	Filipino	Director- Independent	2012
Vicente R. Ayllón	82	Filipino	Director- Independent	2012

As of the date of this Prospectus, the following are the Company's executive officers:

Name	Age	Citizenship	Position	Year Position was Assumed
Nestor J. Padilla	58	Filipino	President and Chief Executive Officer	1995
Miguel Ernesto L. Lopez	44	Filipino	Senior Vice-President Property Management and Treasurer	SVP since 2012; Treasurer since 2009
Valerie Jane Lopez- Soliven	44	Filipino	Senior Vice-President Sales and Marketing	2012
Maria Lourdes Lacson-Pineda	43	Filipino	Senior Vice-President New Business & Head of Primaries	2012
Estela Y. Dasmariñas	52	Filipino	Vice-President Human Resources	2009
Ellen V. Almodiel	39	Filipino	Vice-President Finance	2010
Adela D. Flores	60	Filipino	Vice-President & General Manager, Retail	2013
Engr. Julius A. Marzoña	52	Filipino	Vice-President Project Development	2011
Davy T. Tan	39	Filipino	Vice-President Business Development	2012

Abel L. Roxas	49	Filipino	Vice-President Construction	2012
Antonette O. Marquez	47	Filipino	Vice-President Construction	2013
Belen C. Nones	49	Filipino	Vice-President Operations	2012
Enrique I. Quiason	52	Filipino	Corporate Secretary	1995
Rodolfo R. Waga, Jr.	54	Filipino	Assistant Corporate Secretary	2009

The following discussion presents a brief description of the business experience of each of the Company's Board of Directors and executive officers.

Manuel M. Lopez - 71, Filipino

Mr. Lopez has served as the Chairman of Rockwell Land since 1995. He is also currently the Chairman of the Board of Directors and CEO of Lopez Holdings Corporation and Chairman of the Board of Directors on the ff. companies, namely: Indra Philippines Inc., Buan Telecommunications Holdings Corporation. He also serves as Vice Chairman of FPHC and Lopez Inc. and as Director in ABS-CBN Broadcasting Corporation, Sky Cable Corporation and First Philippine Realty Corporation, among others. He is currently the Philippine Ambassador to Japan. Mr. Lopez holds a Bachelor of Science degree in Business Administration from the University of the East and attended the Program for Management Development at the Harvard Business School.

Oscar M. Lopez - 83, Filipino

Mr. Lopez is currently the Chairman Emeritus of First Philippine Holdings Corporation, Lopez Holdings Corporation, Energy Development Corporation and Rockwell Land Corporation, and Chairman of Asian Eye Institute and ABS-CBN Corporation. He has served as Vice-Chairman of Rockwell Land since 1995 until he became Chairman Emeritus in 2012. He has also served as a Director in Lopez, Inc., FPHC, Bayan Telecommunications, Inc., Sky Cable Corporation, and ABS-CBN Broadcasting Corporation, among others. Mr. Lopez holds a Bachelor of Arts degree from Harvard College and a Master's degree in Public Administration from the Littauer School in Harvard University.

Federico R. Lopez - 52, Filipino

Mr. Lopez was appointed as Vice-Chairman of Rockwell Land in August of 2012. He is also the Chairman and Chief Executive Officer of FPHC, First Gen, EDC, First Gas Holdings Corporation and First Philippine Industrial Corporation, among others. He is likewise Chairman of First Balfour, Inc., First Philippine Realty Corp., First Philippine Electric Corporation and Philippine Solar Car Challenge Society, Incorporated. Mr. Lopez graduated with a Bachelor of Arts Degree with a Double Major in Economics & International Relations (Cum Laude) from the University of Pennsylvania in 1983.

Nestor J. Padilla - 58, Filipino

Mr. Padilla has been a Director at Rockwell Land since 1997, and has been the President and Chief Executive Officer since 1995. He is also serving as a Director of First Philippine Realty Corporation and First Batangas Hotel Corporation. He has also served as a Director of Rockwell Club and as a Trustee of the Rockwell Land Condominium Corporation. During a stint in Indonesia, he held the position of Chief Executive Officer in Lippo Land and was the Executive Director of Indo Ayala Leasing. Mr. Padilla holds a Bachelor of Science degree in Business Management from the Ateneo de Manila University.

Miguel Ernesto L. Lopez - 44, Filipino

Mr. Lopez has been a Director at Rockwell Land since 2009 and was also elected as Treasurer since 2009. Since 2012, he is a Senior Vice President for the Company and General Manager for RIPS. He has also served as a Director in Lopez, Inc., MESALA, Meralco Industrial Engineering Services Corporation, CIS Bayad Center, Inc., and Outsourced Teleserve Corporation, among others. He is also currently the Vice President and Head of Corporate Affairs of Lopez Holdings Corporation and Director of Philippine Commercial Capital, Inc. (PCCI). Mr. Lopez holds a Bachelor of Science degree in Business Administration from Menlo College of California, USA and attended the Executive Development Program of the Asian Institute of Management.

Eugenio L. Lopez III - 61, Filipino

Mr. Lopez has been a Director at Rockwell Land since 1995. He also serves as Director in ABS-CBN Holdings Corporation, Sky Vision Corporation, FPHC, and First Gen. He is currently the Chairman of ABS-CBN Corporation, Sky Cable Corporation, and ABS-CBN Foundation. Mr. Lopez holds a Bachelor of Arts degree in Political Science from Bowdoin College and a Master's degree in Business Administration from the Harvard Business School.

Manuel L. Lopez, Jr. - 46, Filipino

Mr. Lopez has been a Director at Rockwell Land since 2011. He has also served as a Director in ABS-CBN Broadcasting Corporation, Call Center Association of the Philippines, PCCI Insurance Brokerage, Inc., Sky Cable Corporation, and Pilipino Cable Corporation, among others. He is currently Director in Philippine Trade Foundation, Inc. and Philippine Commercial Capital, Inc., among others. Mr. Lopez holds a Bachelor of Science degree in Business Administration from De La Salle University.

Francis Giles B. Puno - 49, Filipino

Mr. Puno was elected Director of Rockwell Land in 2013. He was appointed Chief Finance Officer and Treasurer of FPHC in October 2007, and was promoted to Executive Vice-President in September 2011. He is currently the President and Chief Operating Officer of First Gen. He is also a director of FPHC, First Gen and EDC. He is also President of First Phil. Development Corporation. Before joining FPHC, he worked with The Chase Manhattan Bank as Vice President for Global Power and Environment Group. He has a Bachelor of Science degree in Business Management from the Ateneo de Manila University and a Master in Business Administration degree from Northwestern University's Kellogg Graduate School of Management in Chicago, Illinois.

Ferdinand Edwin S. CoSeteng - 50, Filipino

Mr. CoSeteng was elected director of Rockwell Land in 2013. He is Senior Vice-President of FPHC since November 2011. His professional experience includes being a Tax Consultant at Arthur Andersen & Company, New York USA from 1988-1990; Engagement Manager at McKinsey & Company, Hong Kong from 1990-1993; President of Mariwasa Manufacturing, Inc. from 1993-2006 and Chairman of the Board & President of Mariwasa Siam Ceramics, Inc. from 1996-2006. In 2007, Mr. CoSeteng joined LF Logistics in Hong Kong as Executive Vice-President and headed the international logistics and freight forwarding business. He is a BS Electrical Engineering graduate from the University of the Philippines and holds a Master of Business Administration with Distinction from the Johnson Graduate School of Management, Cornell University, New York USA.

Vicente R. Ayllón - 82, Filipino

Mr. Ayllón was elected as an Independent Director of Rockwell Land since 2012. He currently serves as Chairman of the Board & CEO of The Insular Life Assurance Co., Ltd., Chairman of the Board and President of Insular Property Holdings, Inc., Chairman of the Board of Insular Investment Corporation, Insular Health Care, Insular Foundation, Insular Life Management and Development Corporation, Home Credit Mutual Building and Loan Association, Vice-Chairman of the Board of Union Bank of the Philippines and Mapfre Insular Insurance Corporation. Mr. Ayllón also serves as a regular Director of Pilipinas Shell Petroleum Corporation and Shell Co. of the Philippines, Ltd. He serves as an independent Director of The Palms Country Club. Mr. Ayllón holds a Bachelor of Science degree in Commerce from the University of the East.

Manuel N. Tordesillas – 60, Filipino

Mr. Tordesillas was elected as an Independent Director of Rockwell Land since 2012. He also currently serves as President and CEO and Director of Maybank ATR Kim Eng Capital Partners, Inc., ATR Kim Eng AMG Holdings, Inc., ATR Holdings, and Vice Chairman of Asian Life Financial Assurance Corporation. Mr. Tordesillas is also a regular Director of Maybank ATR Kim Eng Fixed Income, Inc. and Tullet Prebon Philippines among others. He was also the Executive Director for Citicorp International Limited and Peregrine Capital Limited prior to returning to the Philippines in 1995. Mr. Tordesillas holds a Bachelor of Science degree in Industrial Management Engineering from De La Salle University and a Master's degree in Business Administration from the Harvard Business School.

Valerie Jane Lopez-Soliven – 44, Filipino

Ms. Soliven served the Company for 18 years and is currently the Senior Vice-President for Sales and Marketing. Before joining Rockwell Land, she worked at the Manila Garden Suites, Edsa Shangri-la Hotel and the Shangri-la Hotel in Singapore. Ms. Soliven, a licensed broker, holds a Bachelor of Science degree in Hotel and Restaurant Administration from the University of the Philippines. She completed a Management Development Program from the Asian Institute of Management in 2006.

Maria Lourdes Lacson-Pineda - 43, Filipino

Ms. Pineda has been with the Company for 14 years and is currently the Senior Vice-President for New Business and Head of Primaries. Prior to joining Rockwell Land, she worked for four years at Jewelmer International, a French-Filipino company specializing on exquisite jewelry. Ms. Pineda holds a Bachelor of Science degree in Hotel and Restaurant Management from the University of the Philippines. She completed a Management Development Program from the Asian Institute of Management in 2006.

Estela Y. Dasmariñas – 52, Filipino

Ms. Dasmariñas is currently Vice-President for Human Resources of the Company. Prior to joining Rockwell Land, she was Vice-President for Human Resources of AMA-DDB Needham Worldwide, Inc., a multinational advertising and communications organization. She was also Director for Human Resources of property development firm Metro Asia Resources Corporation and Manager for Human Resources of Mitsubishi Motor Corporation Philippines, Inc. Ms. Dasmariñas holds a Bachelor of Science degree in Political Science and a Master of Arts degree in Industrial Relations specializing in Human Resource from the University of the Philippines.

Ellen V. Almodiel - 39, Filipino

Ms. Almodiel has been Vice-President for Finance since 2010. She started as Finance Manager in 2004 and briefly served as Manager of the Business Development Team. Prior to joining Rockwell Land, she was a Financial Analyst and later an Assistant to the Group Chief Finance Officer of the Alcantara Group of Companies and Finance

Manager of NextStage, Inc. Ms. Almodiel, a Certified Public Accountant, holds a Bachelor of Science degree in Business Administration and Accountancy from the University of the Philippines, where she graduated *cum laude*.

Adela D. Flores - 60, Filipino

Ms. Flores rejoined Rockwell Land Corporation as Vice-President – Retail and General Manager of the Power Plant Mall after 8 years in Malaysia managing The Curver shopping mall. Prior to her stint abroad, she was with Rockwell Land - Retail for almost a decade, following her work at CMG as Brand Manager and at Araneta Center as Marketing Manager. Ms. Flores is a graduate of the University of the Philippines with a Bachelor's Degree in Mass Communications. She is also a certified Associate Coach.

Julius A. Marzoña – 52, Filipino

Mr. Marzona has been with the company for six years and is currently Vice-President for Project Development since December 2011. From 1994 to 1996, he served as Project Management Officer for project management consulting company SPCastro and Associates Sdn. Berhad and later became Project Manager in the Philippines for the same company in 1997 until 2005. Mr. Marzona, a Licensed Civil Engineer, holds a Bachelor of Science degree in Civil Engineering from the Central Philippine University. He is a Certified Project Manager by the Construction Manpower Development Foundation.

Davy T. Tan – 39, Filipino

Mr. Tan joined Rockwell Land in 2007 as Financial Planning and Budget Manager, joined the Business Development team after 1 year and in 2012 became Vice-President for Business Development. Prior to joining Rockwell Land, he spent six years with Filinvest Alabang, Inc., a subsidiary of Filinvest Development Corporation, as Proof and Control Officer of the Festival Supermall and later as Finance Analyst. He was also Accounting Officer at D.M. Consunji, Inc. and Junior Auditor at Punongbayan and Araullo. Mr. Tan, a Certified Public Accountant, holds a Bachelor of Science degree in Accountancy from the University of the East.

Abel C. Roxas – 49, Filipino

Mr. Roxas has been with Rockwell Land for 5 years and is currently Vice President for Construction. Prior to joining the company, Mr. Roxas served SKI Construction Group Incorporated as Department Head of Planning and Formworks, and CitramegahKaryaGemilang (CKG) as Engineering Manager. Mr. Roxas first joined Rockwell Land Corporation as a Senior Manager for Project Development. Mr. Roxas, a Licensed Civil Engineer, holds a Bachelor of Science degree in Civil Engineering from Mapua Institute of Technology.

Antonette O. Marquez – 47, Filipino

Ms. Marquez joined Rockwell Land Corporation in 2012 as Vice President for Construction. She has a total of 25 years of experience in project management ranging from engineering, cost and procurement, and construction management in industries, namely: energy, industrial, and chemical facilities, food and beverage plants and real estate development both locally and overseas. She also held an assistant vice president position in Japan Gas Corporation where she worked for 15 years. She is a licensed civil engineer and has taken units in Master of Science in civil engineering from University of the Philippines after completing her undergraduate degree from University of Santo Tomas. She has also taken a Leadership and Management Development Program in Ateneo Graduate School of Business and is a Certified Professional and Assessor for BERDE.

Belen C. Nones – 49, Filipino

Ms. Nones has been with Rockwell Land for 14 years and is currently Vice President for Operations. She first joined Rockwell Land as an Executive Assistant under the Office of the President in 2000 and eventually became Housekeeping Manager of the Rockwell Club in 2013 and Cinema Operations Manager of the Power Plant Mall in 2004. Ms. Nones holds a Bachelor of Science degree in Economics from St. Scholastica's College.

Enrique I. Quiason - 52, Filipino

Mr. Quiason has been the Corporate Secretary at Rockwell Land since 1995. He is a Senior Partner of the Quiason Makalintal Barot Torres Ibarra & Sison Law Firm. He is also the Corporate Secretary of FPHC and Lopez Holdings Corporation and various subsidiaries and affiliates of FPHC and Lopez Holdings. Mr. Quiason, a Member of the Integrated Bar of the Philippines, graduated with a B.S. Business Economics (Cum Laude) degree in 1981 and with a Bachelor of Laws degree in 1985 from the University of the Philippines. He received his LL.M. in Securities Regulation from Georgetown University in 1991.

Rodolfo R. Waga, Jr. - 54, Filipino

Mr. Waga has been the Assistant Corporate Secretary at Rockwell Land since 2009. He is the Vice President and the Assistant Corporate Secretary of FPHC, and serves as either the Corporate Secretary or Assistant Corporate Secretary various FPH subsidiaries/affiliates. Mr. Waga, a member of the Integrated Bar of the Philippines, graduated Magna Cum Laude with a Bachelor of Arts degree in Major in Economics from the Xavier University (Ateneo de Cagayan) in 1979 and a Bachelor of Laws degree from the University of the Philippines in 1983. He completed the academic requirements for his EMBA at the Asian Institute of Management.

SIGNIFICANT EMPLOYEES

The Board of Directors and members of the senior management of Rockwell Land have been an integral part of its success. Their knowledge, experience, business relationships and expertise greatly contribute to Rockwell Land's operating efficiency and financial performance.

Rockwell Land maintains that it considers the collective efforts of the Board of Directors and all of the Company's employees as instrumental to its overall success. The business of Rockwell Land is not dependent on any individual person. No employee is indispensable in the organization. Rockwell Land has institutionalized through documentation, its processes, procedures and training to ensure continuity and scalability of the business without relying on any particular employee.

FAMILY RELATIONSHIP

Other than the following family relationships, there are no other family relationships within the Board of Directors and executive officers of the Company:

Chairman Manuel M. Lopez and Chairman Emeritus Oscar M. Lopez are brothers.

Treasurer Miguel Ernesto L. Lopez and Manuel L. Lopez Jr. are brothers, sons of the Chairman Manuel M. Lopez and nephews of Chairman Emeritus Oscar M. Lopez.

Vice- Chairman Federico R. Lopez is the son of Chairman Emeritus Oscar M. Lopez and nephew of Chairman Manuel L. Lopez.

Eugenio Lopez III is the nephew of the Chairman, Manuel L. Lopez and Chairman Emeritus, Oscar M. Lopez.

Eugenio Lopez III and Federico R. Lopez are cousins of Miguel Ernesto Lopez and Manuel L Lopez Jr.

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

To the best of the Company's knowledge, there has been no occurrence during the past five years and as of the date of this Prospectus of any of the following events which are material to an evaluation of the ability or integrity of any director, person nominated to become a director, executive officer, or control person of the Company:

- Any insolvency or bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the insolvency or within two (2) years prior to that time;
- Any conviction by final judgment in a criminal proceeding, domestic or foreign, or any pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- Any final and executory order, judgment, or decree or any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending, or otherwise limiting involvement in any type of business, securities, commodities, or banking activities; and
- Any final and executory judgment by a domestic or foreign court or competent jurisdiction (in a civil action), the SEC, or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, for violation of a securities or commodities law.

EXECUTIVE COMPENSATION

The Company's amended by-laws provide that the Board of Directors shall not receive any salary for their services as director other than an honorarium not exceeding ₱7,500.00 for their attendance in each regular or special meeting of the Board of Directors, or Executive Committee but this provision shall not preclude any director from serving the Company in any other capacity and receiving compensation therefore.

The Company's amended by-laws also provide that the Board of Directors, officers and employees may participate in the unrestricted profits or earnings from the operations of the Company, after taxes, to be distributed in the manner, amounts and proportions as the Board of Directors may determine.

Summary of Compensation Table Annual Compensation

(a) Name and Principal Position	(b) Year	(c) Salary	(d) Bonus	(e) Other annual compensation
CEO + 4 most highly compensated executive officers in the aggregate as follows:* Lopez, Miguel Ernesto L. (<i>Treasurer</i>) Masakayan, Jose Patricio S. (<i>Vice-President & Gen. Manager, Rockwell Club</i>) Padilla, Nestor J. (<i>President & CEO</i>). Pineda, Ma. Lourdes L. (<i>Vice-President, Retail & General Manager, Power Plant Mall</i>) Soliven, Valerie Jane L. (<i>Vice-President, Sales & Marketing</i>)	2011	P30.7 million	P2.7 million	P20.5 thousand
All other Officers and Directors	2011	P7.8 million	P0.7 million	P0.2 million
CEO + 4 most highly compensated executive officers* Almodiel, Ellen V. (<i>Vice-President, Finance</i>) Lopez, Miguel Ernesto L. (<i>Treasurer and Senior Vice-President, Property Management</i>) Padilla, Nestor J. (<i>President and CEO</i>) Pineda, Ma. Lourdes L. (<i>Senior Vice-President, New Business</i>) Soliven, Valerie Jane L. (<i>Senior Vice-President – Sales and Marketing</i>)	2012	P42.7 million	P3.6 million	P77.5 thousand
All other Officers and Directors	2012	P9.0 million	P0.8 million	P0.5 million
CEO + 4 most highly compensated executive officers* Almodiel, Ellen V. (<i>Vice-President, Finance</i>) Lopez, Miguel Ernesto L. (<i>Treasurer</i>)	2013 (estimate)	P47.0 million	P4.0 million	P180.0 thousand

and Senior Vice-President, Property Management) Padilla, Nestor J. (President and CEO) Pineda, Ma. Lourdes L. (Senior Vice-President, New Business) Soliven, Valerie Jane L. (Senior Vice-President – Sales and Marketing)				
All other Officers and Directors	2013 (estimate)	P9.9 million	P0.9 million	P1.3 million

**Alphabetically arranged*

Employment Contracts between the Company and Executive Officers

There are no existing employment contracts with executive officers. There are no arrangements for compensation to be received from the Company in the event of a resignation, retirement or termination of the executive officer's employment or a change of control of the Company.

Options Outstanding

On May 2, 2012 and August 3, 2012, the BOD and the stockholders, respectively, approved the implementation of the ESOP to be offered to all regular employees of the Company including employees seconded to other affiliates or other individuals that the Board of Administrators may decide to include. The aggregate number of ESOP shares that may be issued shall not at any time exceed 3% of the issued capital stock of the Company on a fully diluted basis. The maximum numbers of shares a participant is entitled to shall be determined as a multiple of the gross basic monthly salary based on rank and performance for the year preceding the award. The option is exercisable anytime within the Option Term once vested.

As of June 30, 2013, the outstanding options are as follows:

Name	No. of Shares	Date of Grant	Exercise Price	Market Price at the Date of Grant
CEO + 4 most highly compensated executive officers* Almodiel, Ellen V. (Vice-President, Finance) Lopez, Miguel Ernesto L. (Treasurer and Senior Vice-President, Property Management) Padilla, Nestor J. (President and CEO) Pineda, Ma. Lourdes L. (Senior Vice-President, New Business) Soliven, Valerie Jane L. (Senior Vice-President – Sales and Marketing)	47,127,000	various	P1.46	various

All Other Officers & directors	10,597,000	various	P1.46	various

**Alphabetically arranged*

Other Arrangements

Except as described above, there are no other arrangements pursuant to which any of the Company's directors and officers are compensated, or are to be compensated, directly or indirectly.

SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN RECORD AND BENEFICIAL OWNERS

Security Ownership of Certain Record and Beneficial Owners

As of June 30, 2013, the following are the security ownership of certain record and beneficial owners:

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	% of Total Outstanding Shares
Common Shares	First Philippine Holdings Corporation 4th Floor Benpres Bldg., Exchange Road, Ortigas Center, Pasig City, stockholder	First Philippine Holdings Corporation is the beneficial and record owner of the shares indicated	Filipino	5,296,015,375	86.79%
Common Shares	PCD Nominee Corporation 37/F Enterprise Tower I, Ayala Ave., cor. Paseo de Roxas, Makati City, Stockholder	PCD Nominee corporation is the record owner but not the beneficial owner which are owned beneficially by the investing public	Filipino	589,458,921	9.66%
Common Shares	PCD Nominee Corporation 37/F Enterprise Tower I, Ayala Ave., cor. Paseo de Roxas, Makati City, Stockholder	PCD Nominee corporation is the record owner but not the beneficial owner which are owned beneficially by the investing public	Foreign	56,352,103	0.92%
TOTAL COMMON SHARES				6,101,762,198	100%
Preferred Shares	First Philippine Holdings Corporation 4th Floor Benpres Bldg., Exchange Road, Ortigas Center, Pasig City, stockholder	First Philippine Holdings Corporation is the beneficial and record owner of the shares indicated	Filipino	2,750,000,000	100.0%

TOTAL PREFERRED SHARES	2,750,000,000	100.0%
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Security Ownership of Management

As of June 30, 2013, the following are the security ownership of the Directors and Officers of the Company:

Title of Class	Name of Record Owner and Relationship with Issuer	Citizenship	No. of Shares Held	% of Total Outstanding Shares
Common Shares	Manuel M. Lopez Chairman	Filipino	8,874,467 (direct/indirect)	0.14%
Common Shares	Oscar M. Lopez Chairman Emeritus	Filipino	174,898	0.00%
Common Shares	Federico R. Lopez Vice-Chairman	Filipino	1	NIL
Common Shares	Nestor J. Padilla Director and President & CEO	Filipino	1	0.00%
Common Shares	Miguel Ernesto L. Lopez Director and Treasurer	Filipino	243,694	0.00%
Common Shares	Eugenio L. Lopez III Director	Filipino	1	NIL
Common Shares	Manuel L. Lopez, Jr. Director	Filipino	1	NIL
Common Shares	Francis Giles B. Puno Director	Filipino	5,656	0.00%
Common Shares	Ferdinand Edwin S. CoSeteng Director	Filipino	1	NIL
Common Shares	Manuel N. Tordesillas	Filipino	1	NIL
Common Shares	Vicente R. Ayllón	Filipino	1	NIL
Common Shares	Valerie Jane Lopez- Soliven	Filipino	0	NIL
Common Shares	Maria Lourdes Lacson-Pineda	Filipino	81,272	0.00%
Common Shares	Estela Y. Dasmariñas	Filipino	1,882	0.00%
Common Shares	Ellen V. Almodiel	Filipino	0	NIL
Common Shares	Adela D. Flores	Filipino	4,340	0.00%
Common Shares	Engr. Julius A. Marzoña	Filipino	0	NIL
Common Shares	Davy T. Tan	Filipino	0	NIL
Common Shares	Abel L. Roxas	Filipino	0	NIL
Common Shares	Antonette O. Marquez	Filipino	0	NIL

Common Shares	Belen C. Nones	Filipino	0	NIL
Common Shares	Enrique I. Quiason	Filipino	3,575	0.00%
Common Shares	Rodolfo R. Waga, Jr.	Filipino	1,116	0.00%

Voting Trust

As of the date of this Prospectus, there are no persons holding more than 5% of the Common Shares of the Company under a voting trust or similar agreement.

The original shareholders of Rockwell Land agreed that certain board resolutions of the Company shall be reached by consensus and mutual consent.

Change in Control

The Company's amended articles of incorporation or amended by-laws do not contain provisions that would delay, defer or prevent a change in control of the Company. However, upon the Dividend Distribution and Listing, FPHC is expected to remain the sole holder of the Preferred Shares. Under the Company's amended articles of incorporation and amended by-laws, holders of Preferred Shares are entitled to full voting rights. Further, Preferred Shares can only be transferred to (a) Philippine citizens and (b) to a corporation of which at least 60% of the outstanding equity capital is beneficially owned by Philippine citizens and which is not in competition with Meralco, Benpres Holdings Corporation (now "Lopez Holdings Corporation"), FPHC, or any of their affiliates. It is expected that upon completion of the Dividend Distribution and Listing, the Preferred Shares will constitute 30.6% of the Company's outstanding capital stock. As of the date of this Prospectus, FPHC's combined ownership of the Company's Preferred Shares and Common Shares will be 66% of the total outstanding capital stock.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company, in the ordinary course of business, engages in transactions FPHC, its subsidiaries and affiliates, and directors and officers and their close family members.

Except as disclosed in Note 24 of the Company's audited consolidated financial statements annexed to this Prospectus, there is no material transaction or proposed transaction to which the Company was or is to be a party, in which any of its directors or executive officers, or any individual owning, directly or indirectly, significant voting power of the Company, or any close family members or individuals, had or is to have a direct or indirect material interest.

DESCRIPTION OF DEBT

This section should be read in conjunction with the 2013 Second Quarter 17-Q Report to the SEC attached to this Prospectus as its Supplement.

Trade and other payables

This account consists of the following:

<i>(in million pesos)</i>	June 30, 2013 (Unaudited)			
	Due within 3 months	Due Between 3 to 12 months	Due after 12 months	Total
Trade and Other Payables	₱354	₱2,538	-	₱2,892
Retention Payable (Current)	86	124	-	210
Security Deposit (Current)	94	105	-	199
Deferred Lease Income (Current)	39	30	-	69
Total	₱573	₱2,797	-	₱3,370

“Trade and Other Payables” includes accrued project costs which are normally settled on a 30-day term.

“Retention Payable” is the portion of the amount billed by the contractors that is being withheld as security in case the company incurs costs during the defects and liability period, which is one year after a project’s completion. This is subsequently released to the contractors after the said period.

“Security Deposit” mainly consists of the four months deposit paid by mall tenants at the beginning of the lease term, to be refunded at the end of the contract.

“Deferred Lease Income” pertains to two months advance rent included in the initial billing to mall tenants, which shall be applied to the monthly rental at the end of the lease term.

Loans Payable

This account consists of the following:

<i>(in million pesos)</i>	June 30, 2013 (Unaudited)				
	Within 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Working Capital Loans	-	-	-	-	-
Corporate Notes	-	955	1,273	4,698	6,925
Other Term Loans	-	-	-	-	-
Total	-	₱955	₱1,273	₱4,698	₱6,925

Notes Facility Agreement

On November 26, 2012, The Company entered into a Notes Facility Agreement with a financial institution whereby the company was granted an unsecured credit line facility amounting to Php10.0 billion to refinance the existing Php4.0 billion loan and to finance land acquisitions and capital expenditures.

On January 7, 2013, the Company drew the first tranche amounting to Php4.0 billion. This loan carries 4.90% fixed interest rate. Subsequent drawdown on the loan facility were: Php2.0 billion in March 7, 2013 at 4.64% fixed

interest rate, Php1.0 billion in May 27, 2013 at 4.55% fixed interest rate, Php1.5 billion in July 26, 2013 and the last Php1.5 billion in August 27, 2013, both at 4.55% fixed interest rate. The loan is payable in 22 quarterly installment commencing on October 7, 2014, and ending on January 7, 2020.

The agreement covering the loan facility provide for restrictions and requirements with respect to, among others, declaration, payment or distribution of dividends; merger or consolidation; sale or lease of assets; purchase, redeem or retire of capital stock; restriction on use of funds; and maintaining certain financial ratios.

The Company has complied with all these contractual agreements. There was neither default nor breach noted as of June 30, 2013.

Installment Payable

This account pertains to the balance of the costs of raw land acquired by the Company and is payable on scheduled due dates.

<i>(in million pesos)</i>	June 30, 2013 (Unaudited)			
	Due within 3 months	Due Between 3 to 12 months	Due after 12 months	Total
Installment Payable	₱-	₱677	₱1,104	₱1,781

Deposits from pre-selling of condominium units

This account represents cash received from buyers pending recognition of sale.

<i>(in million pesos)</i>	June 30, 2013 (Unaudited)		
	Due within 12 months	Due after 12 months	Total
Deposits from preselling of condominium units	₱840	-	₱840

CORPORATE GOVERNANCE

Rockwell Land adopted its Manual on Corporate Governance (the “Manual”) on May 2, 2012. The Company, its directors, officers and employees complied with the leading practices and principles on good governance as embodied in the Manual of Corporate Governance.

The Corporate Governance Manual provides for, among others, the following:

- Appointment of a compliance officer, who shall directly report to the Chairman of the Board of Directors, and monitor compliance with the provisions and requirements of the Corporate Governance Manual. Subject to the further review and approval of the Board of Directors, the compliance officer shall also determine violations of the Corporate Governance Manual and recommend to the Chairman of the Board of Directors the appropriate actions for such violations;
- Identification of the general duties and responsibilities of the Board of Directors who shall be responsible for the Company’s compliance with all relevant laws, regulations and codes of best business practices in order to sustain the Company’s competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders and other stakeholders. The Corporate Governance Manual also directs the Board of Directors to adopt a system of internal checks and balances, identify and monitor key risk areas and key performance indicators with due diligence, and also monitor the effectiveness of management policies and decisions;
- Creation of Board Committees, such as the Audit Committee, the Nomination and Election Committee, Risk Management Committee, and Compensation and Remuneration Committee;
- Appointment of an External Auditor and Internal Auditor. The External Auditor shall ensure the independence of the audit of the Company in order to provide an objective assurance on the manner by which the financial statements of the Company will be prepared and presented to the stockholders. The Internal Auditor, on the other hand, shall have in place an independent audit system which shall provide with reasonable assurance that key organizational and procedural controls are effective, appropriate and complied with, taking into account the nature and complexity of the Company’s business and the business culture, the volume, size and complexity of the transactions, the degree of risks, the degree of centralization and delegation of authority, the extent and effectiveness of information technology and the extent of regulatory compliance;
- Conduct of a training process for the purpose of conducting an orientation program to operationalize the Corporate Governance Manual;
- Procedures for monitoring and assessing compliance with the Corporate Governance Manual; and
- Penalties for non-compliance with the Corporate Governance Manual.

The Corporate Governance Manual provides for the detailed qualifications and disqualifications, duties, functions and responsibilities of the Board of Directors and each member thereof, the Chairman, the Corporate Secretary and Assistant Corporate Secretary and the Compliance Officer. It also prescribes the creation of specific board committees in aid of good corporate governance, to wit, an Audit Committee, a Nomination and Election Committee, a Risk Management Committee, and a Compensation and Remuneration Committee and requires the Board to commit itself to the protection of the rights of the stockholders.

- To fully comply with the leading practices in good governance, the Board of Directors establishes the vision, strategic objectives, key policies, and procedures for the management of the Company, as well as the mechanism for monitoring and evaluating Management's performance. The Board shall also ensure the presence and adequacy of sufficient internal control mechanisms for good governance.
- The Company is prepared to take further steps to enhance adherence to principles and practices of good corporate governance.

Rockwell Land continues to abide by all the governance regulatory requirements. It has filed the Certificate required by the SEC certifying its, as well as its directors, officers and employees, compliance with the manual last January 29, 2013. Rockwell Land submitted to the Philippine Stock Exchange its responses to the Disclosure Template on Corporate Governance Guidelines for Listed Companies last April 1, 2013.

Apart from mandated Manual, Rockwell Land has also adopted a Corporate Code of Discipline. The Code embodies the principles and guidelines for the conduct of the business of the company and in dealing with its stakeholders.

Rockwell Land's current board composition serves to insure independent, impartial and fair discussions having two independents, seven non-executive and two executive members. The Board shall hold regular meetings and may convene for special meetings as may be required by business exigencies in accordance with the provisions of the By-Laws.

Pursuant to the Manual for Corporate Governance, the Board has formed committees: Audit Committee, Nomination and Election Committee and Risk Management Committee.

It bears mention that the Audit Committee is chaired by an independent director. The Nomination and Election Committee and Risk Management Committee are composed of four members of the board, one of which is an independent director.

Rockwell Land also has an Internal Audit Group ("IAG") composed of Certified Public Accountants. The IAG reports to the Board through the Audit Committee. The IAG provides assurance and consulting functions for Rockwell Land in the areas of internal control, corporate governance and risk management. It conducts its internal audit activities in accordance with the International Standards for Professional Practice of Internal Auditing (ISPPA) under the International Professional Practices Framework.

Rockwell Land has sought to keep communications open with its stockholders and encourages them to participate in the meeting of shareholders either in person or by proxy. Shareholders are free to write to the Nomination and Election Committee should they have recommendations and/or nominations for board directorship.

FINANCIAL STATEMENTS

Annex A: Audited Consolidated Financial Statements as of December 31, 2012 and 2011 and January 1, 2011 and for the years ended December 31, 2012, 2011 and 2010, and Unaudited Interim Condensed Consolidated Financial Statements as of June 30, 2013 and December 31, 2012 and for the six months ended June 30, 2013 and 2012