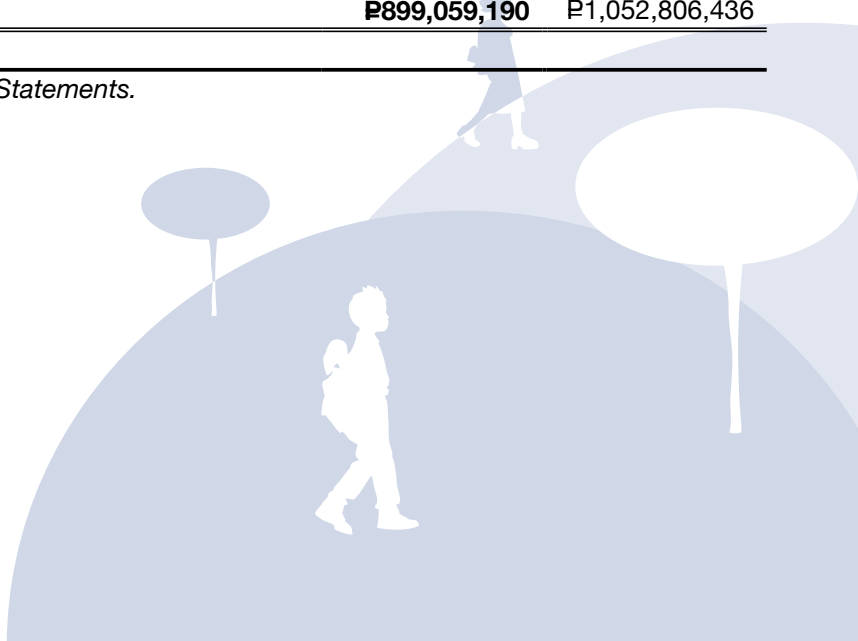


AYALA FOUNDATION, INCORPORATED
(A Nonstock, Not-for-Profit Organization)
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2008	2007
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 4 and 12)	P56,948,377	P32,794,846
Receivables - net (Notes 5 and 12)	33,146,215	73,467,475
Merchandise inventories	12,847,654	12,518,487
Other current assets (Note 6)	4,355,216	6,193,999
Total Current Assets	107,297,462	124,974,807
Noncurrent Assets		
Property and equipment - net (Note 7)	183,518,169	172,845,910
Available-for-sale financial assets (Notes 8 and 12)	608,243,559	754,985,719
Total Noncurrent Assets	791,761,728	927,831,629
	P899,059,190	P1,052,806,436
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts and other payables (Notes 9 and 12)	P63,739,673	P66,069,247
Noncurrent Liabilities		
Pension liabilities (Note 10)	2,471,331	1,928,158
Total Liabilities	66,211,004	67,997,405
Net Assets (Notes 8 and 11)		
Unrestricted	135,368,659	151,468,342
Temporarily restricted	265,911,817	269,331,043
Permanently restricted	525,997,763	522,150,995
Unrealized gains (losses) on available-for-sale financial assets	(94,430,053)	41,858,651
	832,848,186	984,809,031
	P899,059,190	P1,052,806,436

See accompanying Notes to Financial Statements.



AYALA FOUNDATION, INCORPORATED
(A Nonstock, Not-for-Profit Organization)
STATEMENTS OF ACTIVITIES

	Years Ended December 31									
	Unrestricted (Note 11)	Temporarily Restricted (Note 11)	Permanently Restricted (Note 11)	Unrealized Gain on Available-for- Sale Financial Assets (Note 8)	2008 Total	Unrestricted (Note 11)	Temporarily Restricted (Note 11)	Permanently Restricted (Note 11)	Unrealized Gain on Available-for- Sale Financial Assets (Note 8)	2007 Total
Revenue, gains and other supports										
Public support										
Investment	P-	P294,439,671	P-	P-	P294,439,671	P64,700	P210,615,556	P-	P-	P210,680,256
Project	12,721,784	18,569,865	-	-	31,291,649	40,535,392	26,415,783	-	-	66,951,175
Others	2,334,112	46,421	-	-	2,439,054	-	3,597,100	-	-	3,597,100
Net assets released from restrictions (Note 11)	289,259,261	(289,259,261)	-	-	-	37,430	107,559	-	-	144,989
	304,315,157	26,235,750	-	-	330,550,907	250,639,291	30,734,229	-	-	281,373,520
Expenses and losses										
Project (Note 11)	280,828,751	-	-	-	280,828,751	201,341,396	-	-	-	201,341,396
Investment	14,264,303	20,821,466	-	-	35,085,769	6,373,975	4,153,741	-	-	10,527,716
General and administrative (Note 11)	25,321,786	-	-	-	25,321,786	26,015,339	-	-	-	26,015,339
Net loss from other activities (Note 13)	-	4,986,742	-	-	4,986,742	-	1,013,186	-	-	1,013,186
	320,414,840	25,808,208	-	-	346,223,048	233,730,710	5,166,927	-	-	238,897,637
Excess of revenue, gains and other supports over expenses and losses (expenses over revenues)	(16,099,683)	427,542	-	-	(15,672,141)	16,908,581	25,567,302	-	-	42,475,883
Endowment fund	-	(3,846,768)	3,846,768	-	-	-	(56,021,717)	56,021,717	-	-
Net unrealized gains (losses) for the year recognized in net assets (Note 8)	-	-	-	(136,288,704)	(136,288,704)	-	-	-	18,760,973	18,760,973
CHANGES IN NET ASSETS	(16,099,683)	(3,419,226)	3,846,768	(136,288,704)	(151,960,845)	16,908,581	(30,454,415)	56,021,717	18,760,973	61,236,856
NET ASSETS AT BEGINNING OF YEAR	151,468,342	269,331,043	522,150,995	41,858,651	984,809,031	134,559,761	299,785,458	466,129,278	23,097,678	923,572,175
NET ASSETS AT END OF YEAR	P135,368,659	P265,911,817	P525,997,763	P(94,430,053)	P632,848,186	P151,468,342	P269,331,043	P522,150,995	P41,858,651	P984,809,031

See accompanying Notes to Financial Statements.

AYALA FOUNDATION, INCORPORATED
(A Nonstock, Not-for-Profit Organization)
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	(P15,672,141)	P42,475,883
Adjustments for:		
Depreciation and amortization (Note 7)	11,973,056	7,152,796
Recovery of impairment losses (Note 5)	(1,160,273)	(113,261)
Provision for impairment losses (Notes 5 and 11)	226,008	-
Investment loss (income)	3,794,120	(56,423,459)
Changes in net assets before changes in working capital	(839,230)	(6,908,041)
Decrease (increase) in:		
Receivables	35,454,665	39,980,515
Merchandise inventories	(329,167)	1,870,611
Other current assets	1,838,783	1,408,110
Increase (decrease) in:		
Accounts and other payables	(2,329,574)	(2,745,434)
Pension liabilities	543,173	2,366,338
Net cash provided by operations	34,338,650	35,972,099
Interest income received	2,006,740	51,705,325
Net cash provided by operating activities	36,345,390	87,677,424
CASH FLOWS FROM INVESTING ACTIVITIES		
Net disposals (additions) to available-for-sale financial assets	10,453,456	(104,551,254)
Net additions to property and equipment (Note 7)	(22,645,315)	(58,059,453)
Cash used in investing activities	(12,191,859)	(162,610,707)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	24,153,531	(74,933,283)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	32,794,846	107,728,129
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	P56,948,377	P32,794,846

See accompanying Notes to Financial Statements.