



FY 2016 | Analysts' Briefing

15 February 2017

Contents

FY 2016 Results

- Financial Statements
- Margins
- Capex
- Operating Statistics

2020-40 Plan Updates

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- Financial Statements
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2020-40 Plan Updates

FY 2016 | Key Messages

1. **Net income up 19% to P20.9B**, on track with the 2020-40 Plan
2. **Revenues up 16% to P124.6B** driven by the sustained growth of the residential and office for sale segments and commercial lot sales balanced with the steady performance of the leasing business.
3. **Margins are stable** across various product lines
4. **Total capex spent at P85.4B** in line with the completion of development and leasing projects.
5. Ayala Land **launched P61.5B worth of residential and office for sale projects** and **P26.4B worth of leasing projects** during the period.

Net income up 19% to P20.9b on track with 2020-40

- Real Estate Revenues higher by 16%
- GAE ratio improved to 5.6% from 6.2%
- EBIT margin slightly higher at 32.5% (vs. 32.2%)

Income Statement <i>(in Php millions)</i>	FY 2016	FY 2015	Change	%
Total Revenues	124,629	107,183	17,446	16%
Real Estate*	122,591	105,466	17,125	16%
Interest & Other Income	2,038	1,717	321	19%
<i>Equity in Net Earnings of Associates and JVs</i>	554	(140)	695	495%
<i>Interest & Investment Income</i>	824	1,175	(351)	-30%
<i>Other Income</i>	660	683	(23)	-3%
Expenses	91,965	79,432	12,533	16%
Real Estate	76,566	65,335	11,231	17%
GAE	7,031	6,592	439	7%
Interest Expense, Financing and other charges	8,368	7,505	862	11%
Income Before Income Tax	32,663	27,751	4,913	18%
Provision for Income Tax	8,232	6,854	1,378	20%
Income before Non-Controlling Interest	24,432	20,897	3,535	17%
Non-Controlling Interest	3,524	3,267	257	8%
NIAT Attributable to ALI Equity Holders	20,908	17,630	3,278	19%

*Includes interest income on accretion.

Per statutory reporting (17q), interest income on accretion is classified under Interest Income

Sustained growth of core businesses

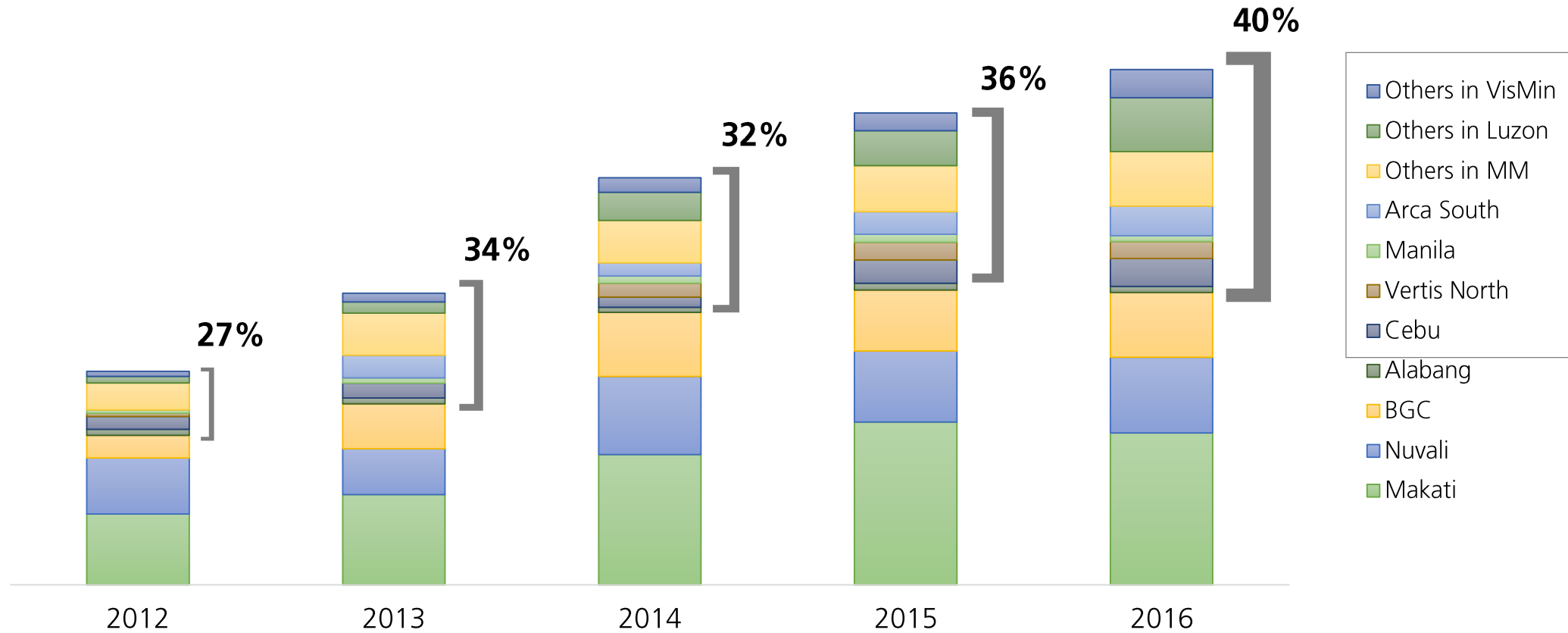
Revenue Breakdown <i>(in P millions)</i>	FY 2016	FY 2015	Amount	%	
Property Development	84,128	72,570	11,558	16%	
Residential	69,424	62,711	6,713	11%	<i>New bookings and project completion</i>
Office for Sale	8,786	6,907	1,880	27%	<i>Contribution of ALVEO Park Triangle Towers</i>
Comm'/'Ind'l lots	5,917	2,951	2,966	100%	<i>Lot sales in Arca South, Naic, and Altaraza</i>
Commercial Leasing	26,563	24,497	2,065	8%	
Shopping Center	14,967	13,366	1,601	12%	<i>Improved performance of stable malls and contribution of new malls</i>
Office	5,544	5,157	386	7%	<i>Contribution of newly opened offices</i>
Hotels and Resorts	6,052	5,974	78	1%	<i>Higher REVPAR of hotels and resorts</i>
Services	66,653	45,245	21,408	47%	
Gross Construction	65,316	44,068	21,248	48%	<i>Increase in order book and higher completion</i>
Property Mgmt.	1,337	1,177	160	14%	<i>Increase in number of managed properties</i>
Sub –Total	177,343	142,312	35,031	25%	
Interco Adjustments	(54,753)	(36,846)	(17,906)	49%	<i>Elimination of intercompany profits arising from internal construction projects.</i>
Real Estate Revenues	122,591	105,466	17,125	16%	
Interest & Other Income	2,038	1,717	321	19%	
Total Revenues	124,629	107,183	17,446	16%	

Margins are stable across various product lines

Margin Performance	FY 2016	FY 2015	
Property Development (<i>Gross profit</i>)			
Residential			
<i>Horizontal</i>	43%	44%	
<i>Vertical</i>	35%	34%	
Office for Sale	37%	38%	
Commercial and Industrial Lots	41%	50%	<i>Higher contribution of lower margin lot sales</i>
Commercial Leasing (<i>EBITDA</i>)			
Shopping Centers	67%	69%	<i>Lower margins of newly opened malls</i>
Office	91%	90%	<i>Improved performance of stable offices</i>
Hotels & Resorts	28%	28%	<i>Sustained performance of hotel operations</i>
Services (<i>EBITDA</i>)			
Construction and Property Management	11%	14%	<i>Bulk of accomplishments are from lower margin contract packages</i>

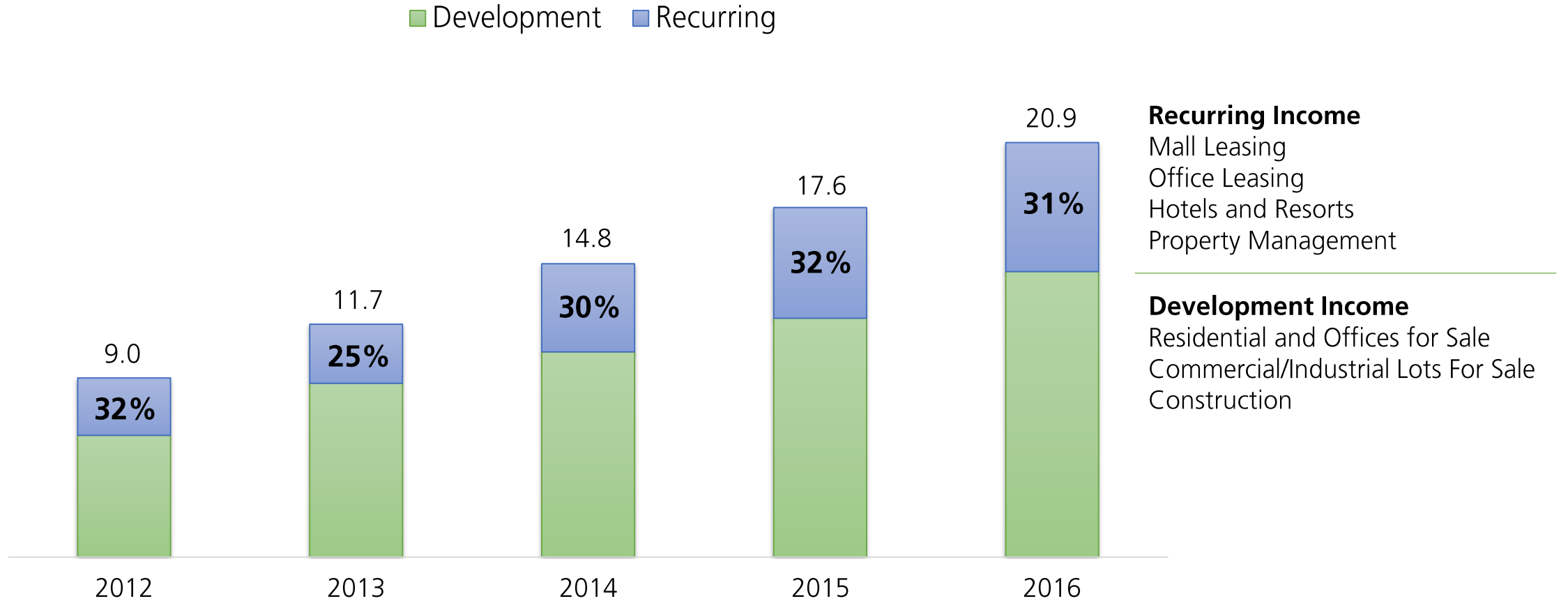
Growing contribution of new growth centers

NIAT contribution per location



Building the recurring income for a balanced portfolio

NIAT contribution per business line



Note: Target is to increase the recurring income contribution to 50% by 2020

Strong balance sheet to support growth

Balance Sheet <i>(in P millions)</i>	December 2016	December 2015
Cash & Cash Equivalents*	22,641	19,540
Total Borrowings	159,801	130,996
Stockholders' Equity	172,683	149,825
Current Ratio	1.12	1.14
Debt-to-Equity Ratio **	0.93	0.87
Net Debt-to-Equity Ratio**	0.79	0.74
Return on Equity***	14.9%	14.7%

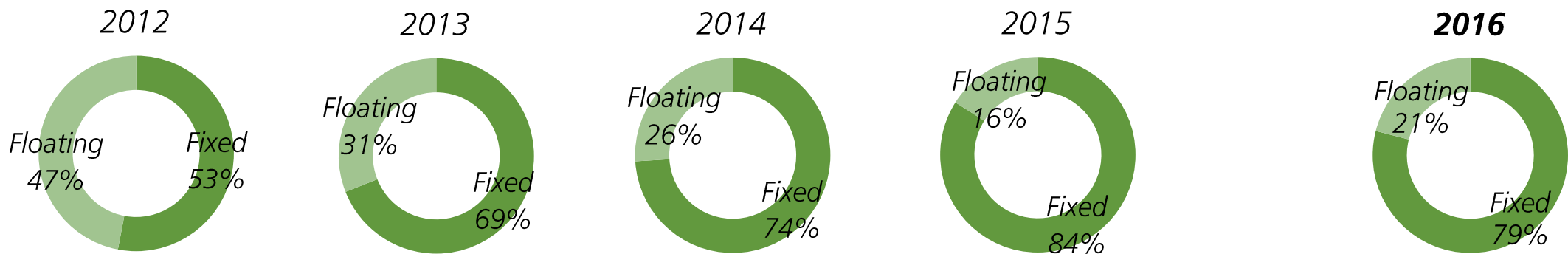
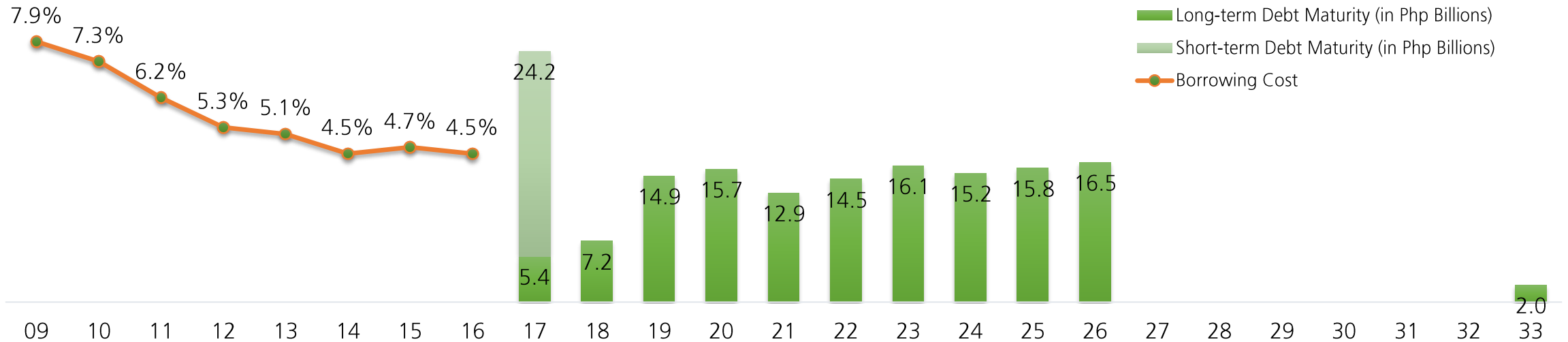
*Includes FVPL (financial assets at fair value through profit and loss)

**Consolidated debt over equity inclusive of minority interest

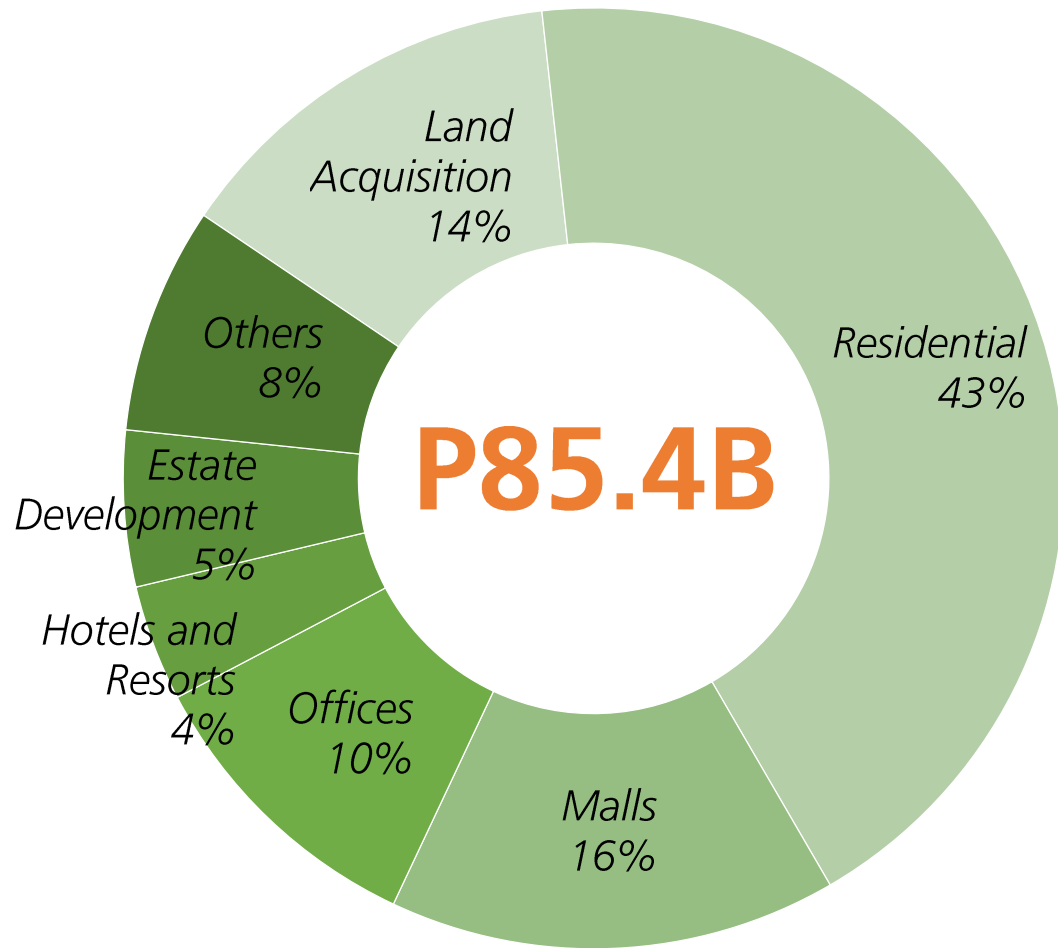
***Attributable to equity holders of ALI

Sustained capital efficiency via stretched maturities lower cost of debt and managed debt mix

As of December 31, 2016 | Total Borrowings: **Php159.8B**: Short-term **Php24.2B** (15%), Long-term **Php135.6B** (85%)



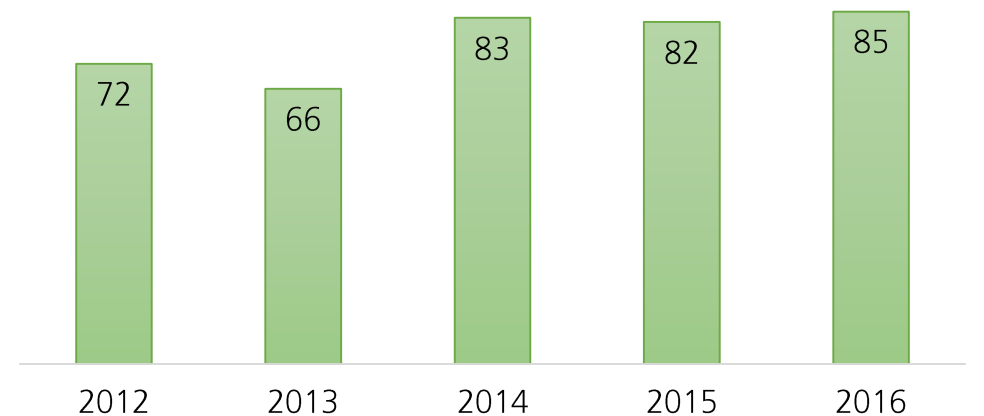
CAPEX spent at P85.4B



Capex Breakdown (in Php billions)

	FY 2016 Budget	Actual
Land Acquisition	15.4	11.8
Residential	34.1	37.0
Malls	13.6	13.1
Offices	7.2	8.8
Hotels and Resorts	3.0	3.4
Estate Development	3.8	4.6
Others*	7.4	6.7
Total	84.5	85.4

5-Year Total Capex

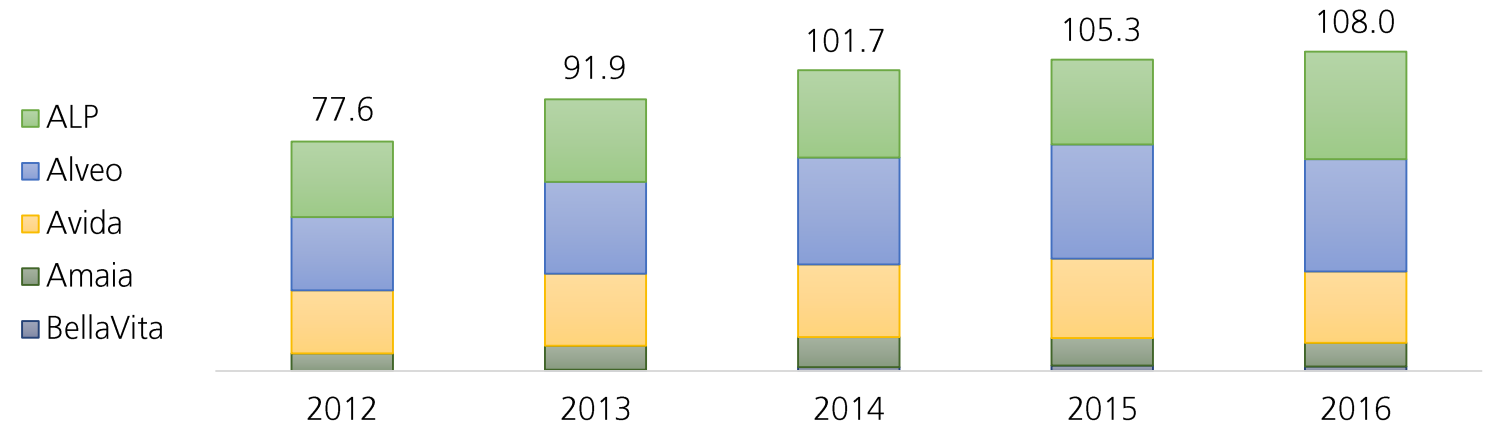


* ALI Capital, Services and other investments

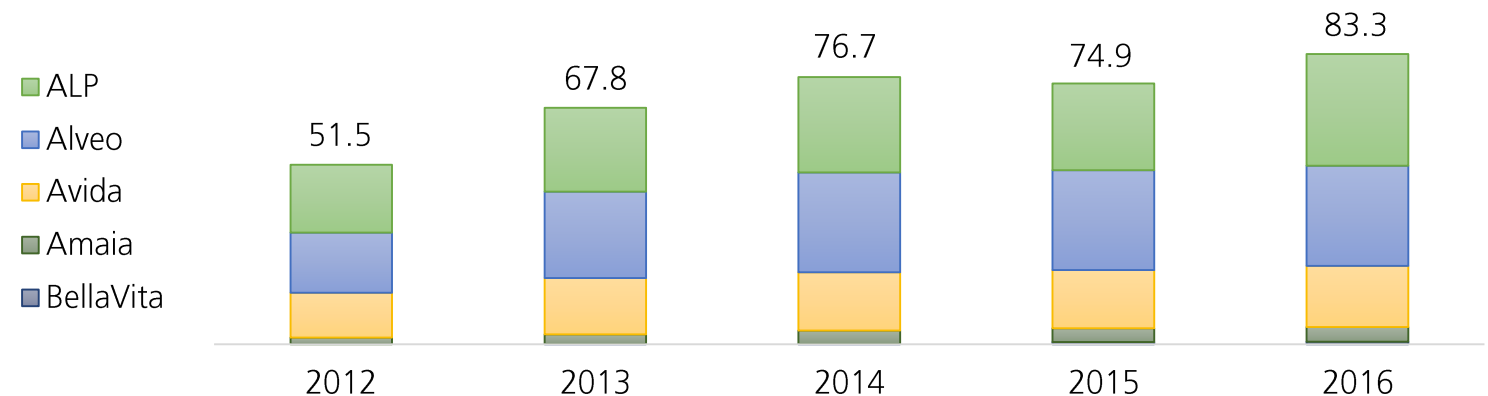
Residential: Sales take-up 3% higher year-on-year

- **Sales Take-up: P108.0b**
(average of P9.0b in monthly sales)
- **Overseas Filipino Sales : P24.6b**
(23% of total)
- **Net Booked Sales: P83.3b**
(up 11% yoy)
- **Total launched projects:P61.5B**
(Residential and office for sale)

Sales Take-up (in Php billions)



Net Bookings (in Php billions)

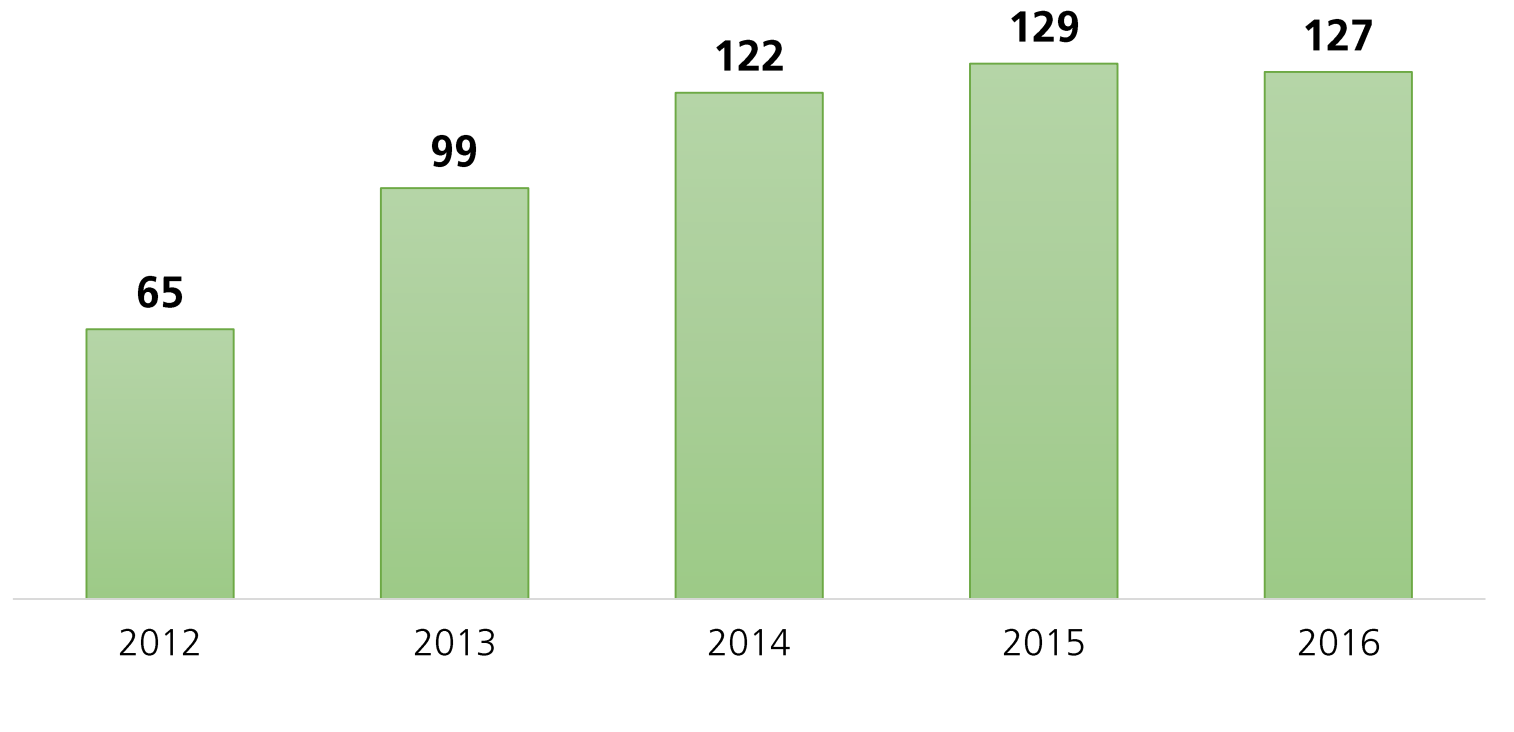


Note: Sales take-up includes Office for Sale projects under the Residential Business

Sustained pipeline of unbooked revenues

- Unbooked revenues of P127B
- 2x 2015 residential revenues of P62.7B

Unbooked Revenues (in billion php)



Key Launches: Estates

Ayala Center InterCon Block Redevelopment (Jan 2016)

Makati CBD

- Retail Podium (54K GLA)
- Office (85K GLA)
- Hotels (600 Rooms)
- Condo for Lease (300 Rooms)
- Transport Terminal

Investment Cost: P19bn



Key Launches: Estates

Gatewalk Central (Jun 2016)

Mandaue Cebu

- Owned and developed by Cebu District Property Enterprise, Inc. ("CDPEI"), the JV company of Ayala Land and AboitizLand
- Phase 1 components
 - Mall 115k GLA
 - Office 20k GLA
 - Avida Towers
 - 30-meter-wide pedestrian street with a dynamic commercial mix

Investment Cost (Phase 1): P10B



Key Launches: Residential

Park Central Tower 1 (Jun 2016)
Makati CBD MM
281 units, P17.2b | 71% cum. take-up



Riomonte – Phase 4&5 (Jul 2016)
Nuvali Laguna
134 units, P1.4b | 91% cum. take-up

Key Launches: Residential

ALVEO

Callisto - Tower 1 (Sep 2016)
Circuit Makati
430 units, P3.5b | 27% cum. take-up



The Veranda - North Tower (Sep 2016)
Arca South Taguig
195 units, P1.7b | 27% cum. take-up

The Gentry (Jun 2016)
Makati CBD
391 units, P4.5b | 60% cum. take-up



Aveia Phase 1 (May 2016)
Binan Laguna
233 units, P1.4b | 76% cum. take-up



Mondia Phase 2 (Nov 2016)
Nuvali Laguna
84 units, P509m | 55% cum. take-up

Ardia Phase 1 (Dec 2016)
Vermosa Cavite
274 units, P2.4b | 80% cum. take-up



Key Launches: Residential

Atria Tower 2 (Aug 2016)
Atria Iloilo
160 units, P793m | 27% cum. take-up



One Union Place Tower 3 (Mar 2016)
Arca South Taguig
522 units, P1.7b | 87% cum. take-up



Sola Tower 1 (Mar 2016)
Vertic North QC MM
1,004 units, P3.3B | 39% cum. take-up

Avida Settings Lipa Phase 1 (Oct 2016)
Lipa Batangas
145 units, P460m | 68% cum. take-up



Key Launches: Residential

Amaia

BellaVita

Amaia Steps Nuvali Parkway B (November 2016)

Nuvali

75 units, P241m | 80% cum. take-up



Bellavita San Miguel (May 2016)

Iloilo

584 units, P263m | 73% cum. take-up



Amaia Series 2 Novaliches (December 2016)

Quezon City

52 units, P150m | 27% cum. take-up



Bellavita Lian (August 2016)

Batangas

302 units, P136m | 27% cum. take-up



Key Launches: Office for sale

ALVEO



Park Triangle Corporate Plaza South Tower (Mar 2016)

BGC

220 units, P6.3b | 60% cum. take-up

2016 Launches: 43 projects worth P87.8B

2016 Project Launches

Project Count

Amount (in Php billions)

Residential and Office for Sale	28	61.5
Malls	5	13.9
Offices	4	7.6
Hotels	3	4.7
Resorts	3	0.2
Total	43	87.8



Malls : Total GLA of 1.62m sqm*

- Ave. Occupancy Rate: 91% **
- Ave. Mall Lease Rate: P1,143/sqm/mo.
- Same Mall Rental Growth: 5%

Tutuban Center, MM | 56K GLA



Southpark, Alabang | 42K GLA



Malls (in sqm)	GLA
FY 2015 Total	1.45m
2016 Key Additions	173k
Tutuban Center, Manila MM	56k
Southpark, Alabang MM	42k
UP Town Center, Quezon City MM	30k
Solenad 3, Nuvali Laguna	14k
Ayala Malls Legazpi, Albay	13k
Solaire, Paranaque MM	6k
Lio, El Nido Palawan	3k
BHS Central BGC, Taguig MM	3k
Circuit Lane, Makati MM	2k
Marquee Mall expansion, Pampanga	2k
Atria Park Riverside, Iloilo	1k
Additional managed retail	1k
FY 2016 Total	1.62m

*excludes OCLP Malls GLA of 147.5K and Residential retail spaces of 2k
 **Occupancy rate of stable malls at 95%

Malls Pipeline

Vermosa | 60K GLA, launched 4Q 2016



The 30th Pasig | 27K GLA, opened January 2017



Completion Date	Malls Construction Pipeline GLA for completion (in k sqm)	Total 989k**
2017 (224)	Feliz Town Center, Pasig MM	79
	Vertis North, QC MM	40
	Cloverleaf, QC MM	38
	The 30 th Mall, Pasig	27
	One Bonifacio High Street, BGC Taguig	21
	Ayala Malls, Marikina MM*	13
	Southvale Retail, Alabang MM*	6
2018 (257)	Capitol Central, Negros Occidental	74
	Bay Area Phase 1, Paranaque MM	70
	Circuit Mall, Makati MM	57
	Central Bloc, Cebu	47
	Citygate, Makati CBD MM	9
2019 (423)	Bay Area Phase 2, Paranaque MM	175
	Gateway Central, Cebu*	115
	Arca South Phase 1, Taguig MM	73
	Vermosa, Cavite MM*	60
2020 (85)	One Ayala Retail, Makati CBD*	53
	Park Triangle Retail, BGC Taguig MM	24
	Ayala Triangle Retail, Makati CBD MM	8

*Launched 2016

**excludes Residential retail spaces under construction of 64k

Offices: Total of 836k sqm*

- Ave. Occupancy Rate: 87% **
- Ave. Office Lease Rate: P725/sqm/mo. (up 4%)
- Ave. Leased-out rate: 94%

Offices (in sqm)	GLA
FY 2015 Total	715k
2016 Key Additions	121k
Vertis 1	41k
Ayala Center Cebu	28k
Bonifacio Stopover BGC	18k
Southpark Alabang	11k
UP Technohub Building P	9k
Centrio	9k
UP Town Center QC	5k
FY 2016 Total	836k

Vertis 1 QC | 41K GLA



ACC Cebu BPO | 28k GLA



*excludes OCLP Offices GLA of 66K
 **Occupancy rate of stable offices at 96%

Offices Pipeline

The 30th | 47K



Circuit BPO 1, Makati | 47k GLA



Completion Date	Offices Construction Pipeline GLA for Completion (in k sqm)	Total 700k
2017 (185)	The 30 th BPO 1, Pasig MM	47
	Circuit BPO 1, Makati MM	47
	Vertis North BPO 2, QC MM	43
	Circuit BPO 2, Makati MM	26
	Tech Tower BPO, Cebu	16
	One Bonifacio High Street, BGC**	6
2018 (154)	Citygate BPO 1, Makati MM	40
	Citygate HQ 1, Makati MM	20
	Vertis BPO 3, QC MM	38
	BGC Corp Center BPO 2, Taguig MM	27
	Bay Area BPO, Paranaque MM	18
	Bacolod Capitol, Negros Occidental*	11
2019 (63)	Arca South BPO 1, Taguig	33
	eBloc BPO 5, Cebu	30
2020 (196)	Ayala Triangle Tower 2 HQ, Makati CBD	66
	eBloc 6 BPO, Cebu	40
	Park Triangle BGC HQ, Taguig MM	39
	Arca South BPO 2, Taguig MM	31
	Gateway Central BPO, Cebu*	20
2021 (102)	One Ayala BPO, Makati CBD*	85
	Arca South BPO 3, Taguig	17

*Launched in 2016, **Net of saleable units

Hotels and Resorts: 2,027 rooms in operation

FY 2016	Hotels	Resorts
No. of rooms in operation	Branded: 961 Seda: 817	El Nido: 213 Lio: 30 Sicogon: 6
Revpar/night	P3,786 (up 0.7%)	P8,087 (up 7.4%)
Average room rate	P5,183 (up 0.3%)	P13,824 (up 6.1%)
Average occupancy	73% (up 0.3 pt)	59% (up 0.7 pt)

Casa Kalaw Lio, El Nido | 30 rooms



Balay Kogon, Sicogon | 6 rooms



Hotels and Resorts FY 2015 Total

**Rooms
2,324**

2016 Key Changes

Intercon Redevelopment	(333)
Casa Kalaw Lio, El Nido	30
Balay Kogon, Sicogon	6

FY 2016 Total **2,027**

Hotels and Resorts Pipeline

Seda Vertis North, QC | 438 rooms



Seda Lio, Palawan | 153 rooms



Completion Date	Hotels Construction Pipeline Rooms for Completion	Total 3,743
2017 (837)	Seda Vertis North, QC MM	438
	Seda Lio, Palawan	153
	Seda Bacolod, Negros Occidental	154
	Balai Adlao, Lio El Nido, Palawan*	20
	Casa Kalaw, Lio El Nido, Palawan	12
	Hotel Covo, Lio El Nido, Palawan*	20
	Sicogon B&B*	20
	Balay Kogon, Sicogon*	20
	2018 (597)	Seda Circuit, Makati MM
Seda BGC Expansion, Taguig MM		342
2019 (1,122)	Seda Citygate, Makati CBD	293
	Seda Arca South, Taguig MM	265
	Seda Bay Area, Paranaque MM	350
	Seda CITP, Cebu	214
2020 (275)	Mandarin Oriental, Makati CBD	275
2021 (912)	Seda One Ayala, Makati CBD*	609
	One Ayala Residences, Makati CBD*	303

*Launched 2016

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2020-40 Plan Updates

2016: Another record year of progress

P20.9B

Net Income
After Tax **+19%**

**Sustained
growth
of core
businesses
and stable
margins**

Return
On
Equity **14.9%**

43 Launched
Projects | **P87.8B**
(P61.5B - Residential
and Office for Sale)

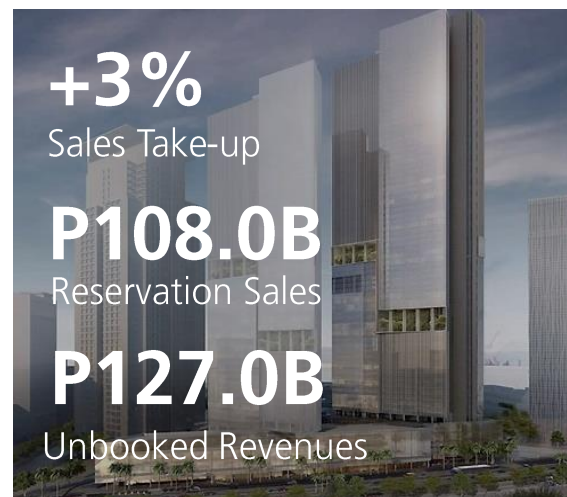
Solid Business Model

20 Large scale, Integrated
Mixed-Use Estates



Total Capital
Expenditure | **P85.4B**

Towards a Balanced Portfolio



1.62m
Malls GLA

836k
Offices GLA

2,027
Hotel and Resorts
Rooms

Healthy Balance Sheet

0.79x | **4.5%**
Net
Debt-to-Equity
Ratio | Average
Cost of
Borrowing

Debt Mix
79% Fixed Rate
85% Long-term

Balanced and sustainable growth through the 2020-40 Plan

P40B
2020

Sustainable and balanced growth strategy

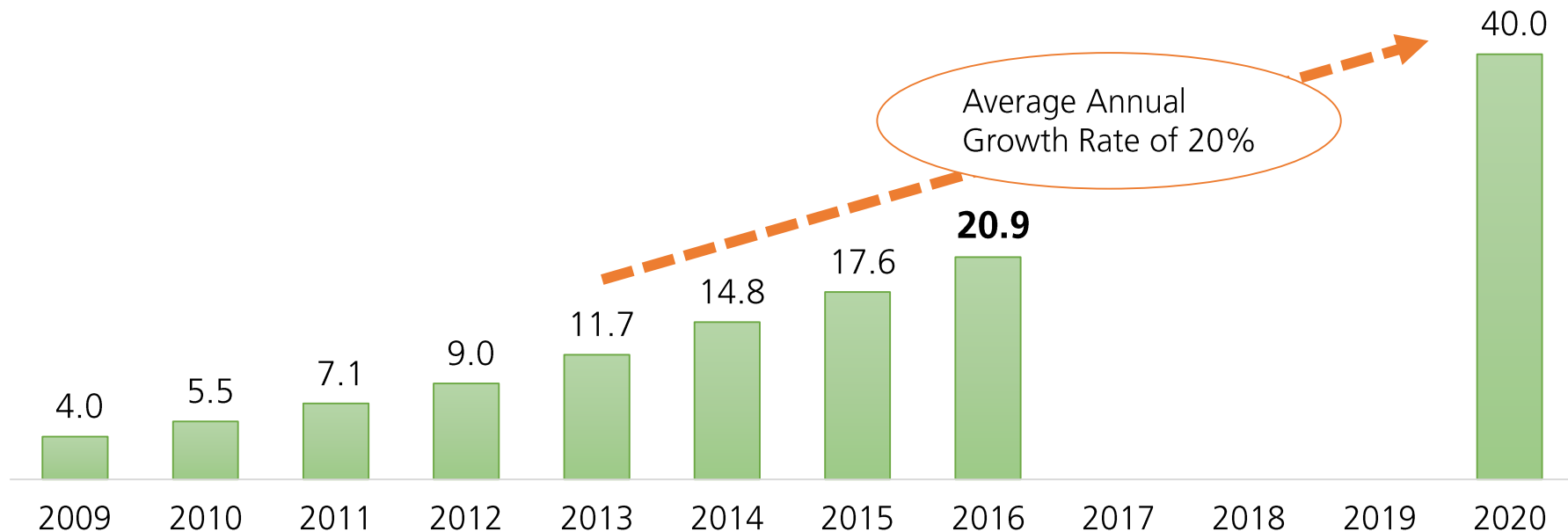
50% from Property Development

- 50% Horizontal, 50% Vertical Projects

50% from Leasing

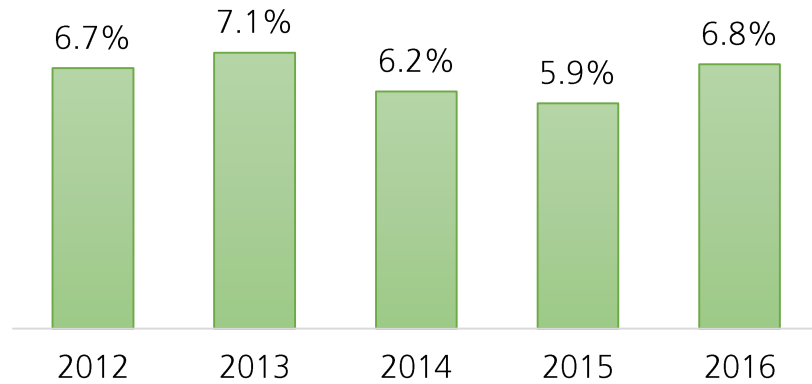
- GLA growth: Malls, Office, Hotels and Resorts

Net Income After Tax (in Php billions)

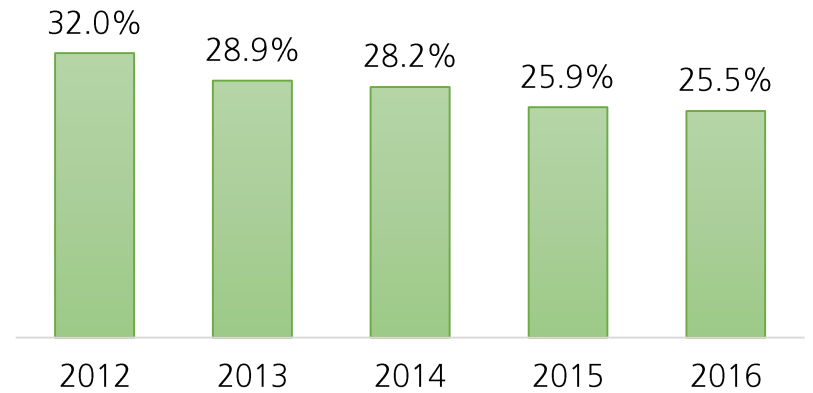


Strong macroeconomics continue to support growth

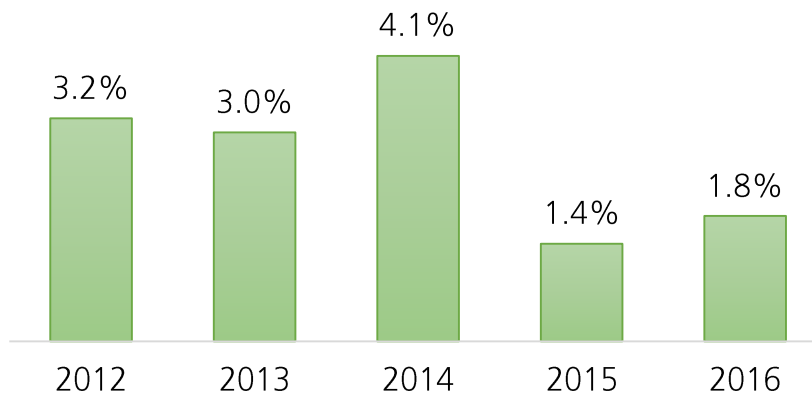
PH GDP Growth



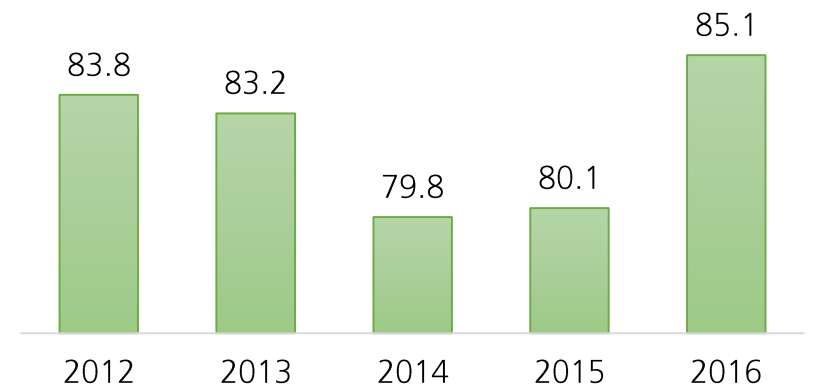
External Debt to GDP



Inflation

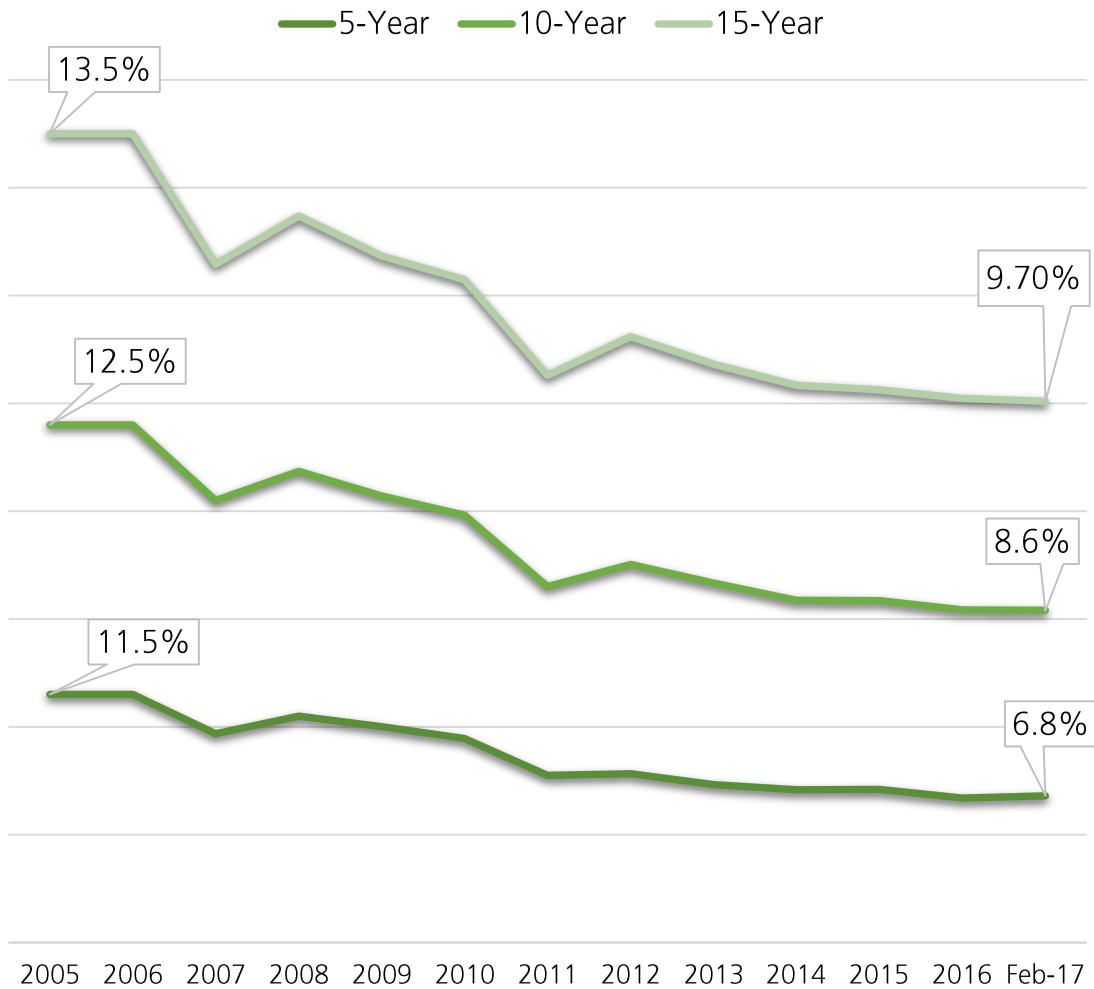


Gross Int'l Reserve (USD B)



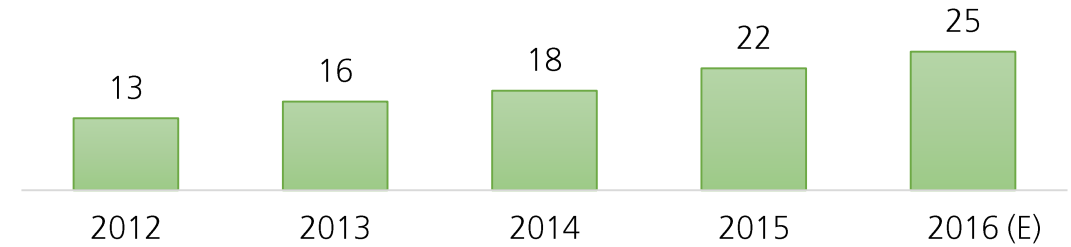
Solid structural tailwinds drive momentum

Average Mortgage Rates

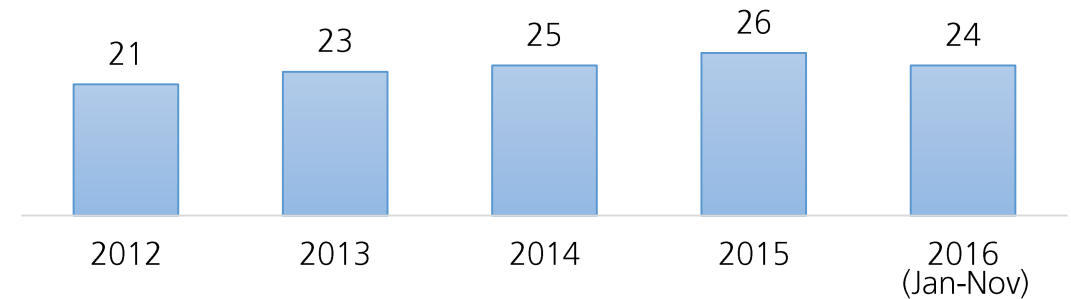


Source: BSP, BPAP, NSCB,

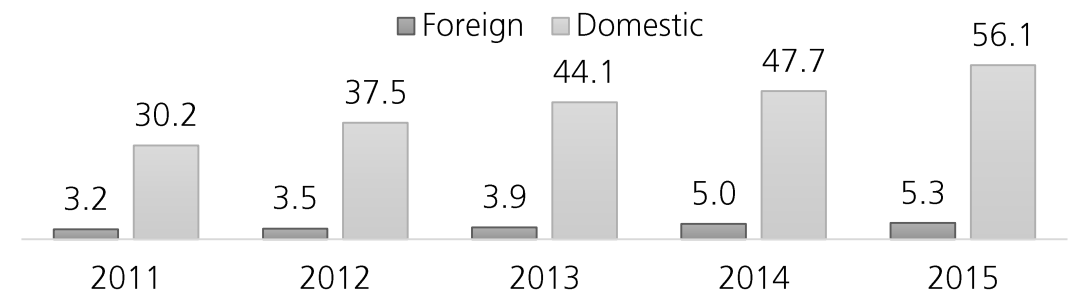
BPO Revenues (USD BILLIONS)



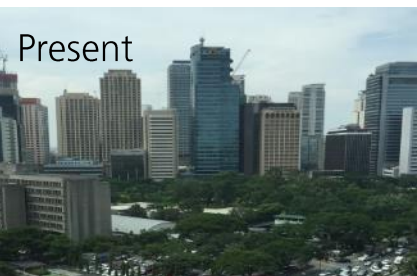
OF Remittances (USD Billions)



TOURIST ARRIVALS (IN MILLIONS)



Platform for growth in place



20 Estates across the Philippines

With **9,852 hectares** of **land bank**

Present in **55 growth centers** across the Philippines



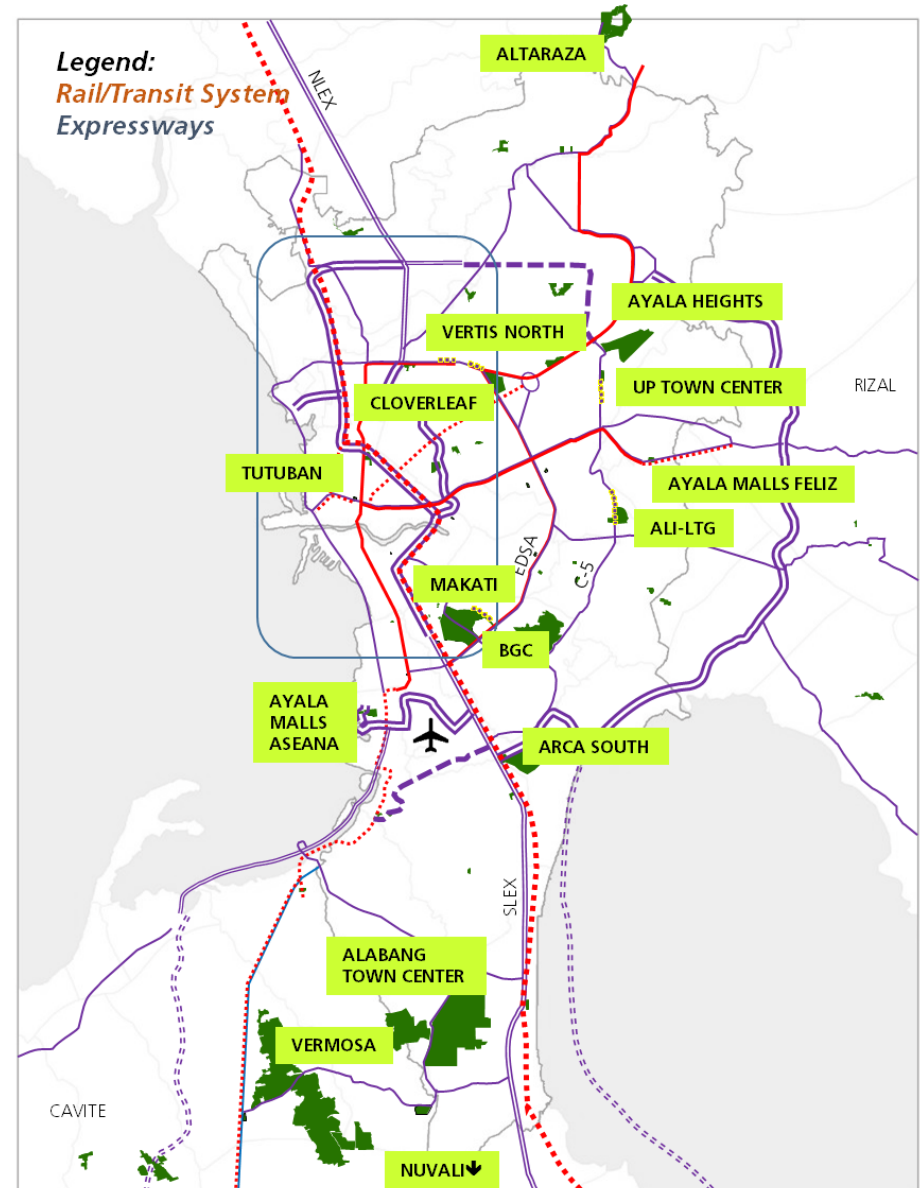
Capitol Central



Fueled by the completion of infrastructure projects

Tollways	Estimated Completion
NLEX Segment 10	2017
NAIA Expressway	2017
NLEX Segment 8	2018
Skyway Stage 3	2018
C5 South Link	2019
CALAX	2020
NLEX-SLEX Connector	2020
C6	2021
Manila –Taguig Expressway	2022
R7 Expressway	For study

Railway	Estimated Completion
PNR – North Line	2020
PNR – South Line	2022
Malolos-Clark	For Funding
Subic-Clark Rail	For Funding



Residential: Pipeline of projects ready for launch



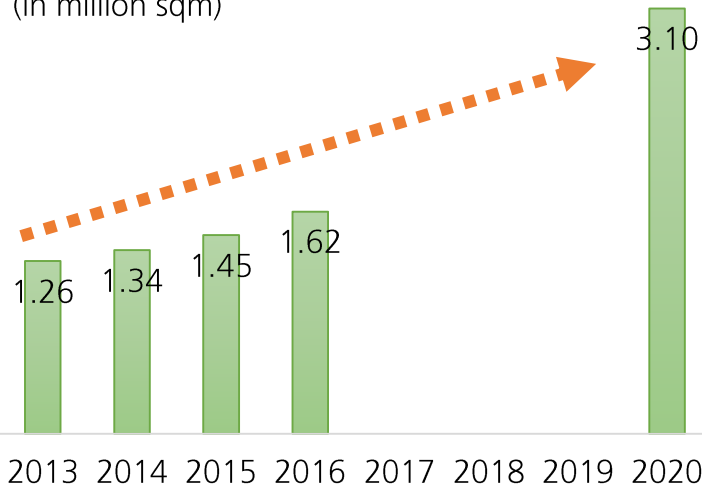
Leasing: Focused completion of investment properties

Malls, Offices and Hotels and Resorts growth



Malls GLA : 1.2 to 3.1

(in million sqm)

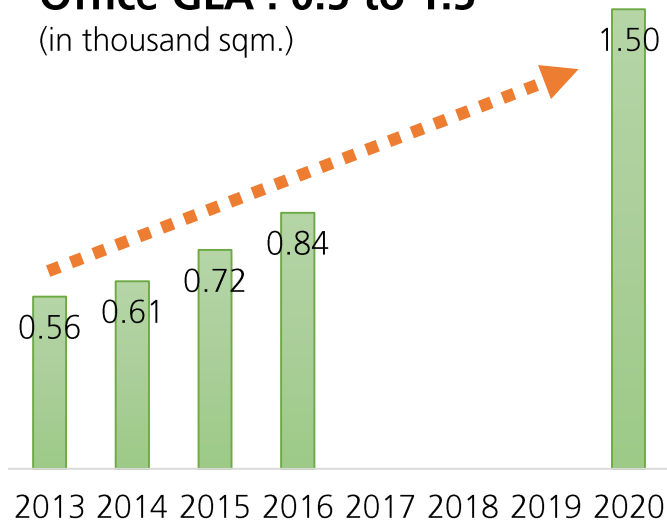


- Regional Malls
- Lifestyle Malls
- Value Malls
- Community Centers



Office GLA : 0.5 to 1.5

(in thousand sqm.)

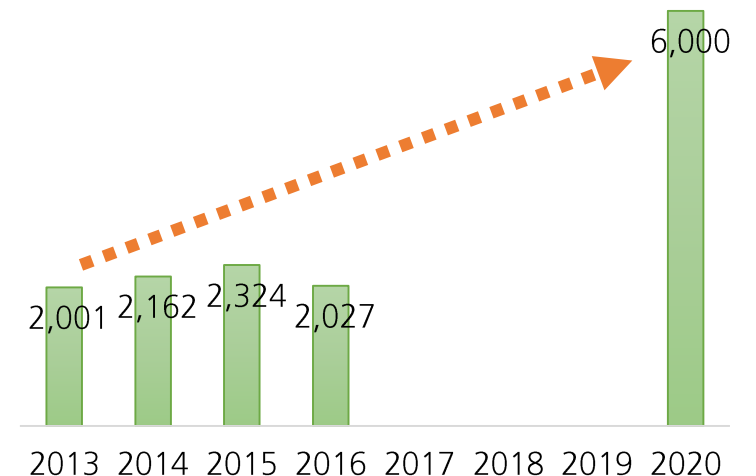


- Headquarter Type Offices
- BPO-Type Facilities



Hotels & Resorts : 2.0k to 6.0k

(in thousand rooms)



- SEDA Hotels
- Island Resorts and Estates
- International Brand Formats

Strong balance sheet to support growth

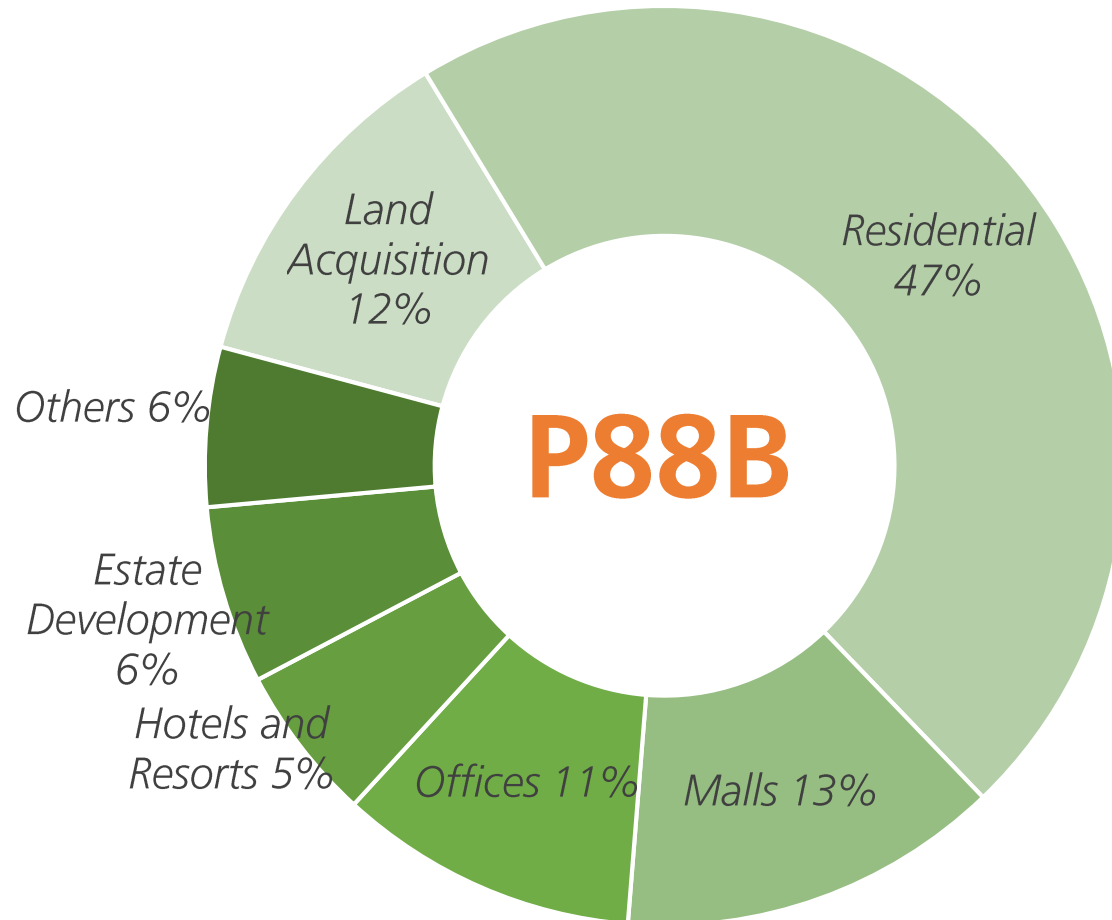
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Return on Equity***	14.9%	14.7%

*Includes FVPL (financial assets at fair value through profit and loss)

**Consolidated debt over equity inclusive of minority interest

***Attributable to equity holders of ALI

2017 CAPEX projection at P88B



Capex Breakdown (in Php billions)

FY 2017 Budget

Land Acquisition	11
Residential	41
Malls	12
Offices	9
Hotels and Resorts	5
Estate Development	5
Others*	5
Total	88

* ALI Capital, Services and other investments

FY 2016 | Summary

1. **Net income up 19% to P20.9B**, on track with the 2020-40 Plan
2. **Revenues up 16% to P124.6B** driven by the sustained growth of the residential and office for sale segments and commercial lot sales balanced with the steady performance of the leasing business
3. **Margins are stable** across various product lines
4. **Total capex spent at P85.4B** in line with the completion of development and leasing projects.
5. Ayala Land **launched P61.5B worth of residential and office for sale projects** and **P26.4B worth of leasing projects** during the period.



FY 2016 | Analysts' Briefing

15 February 2017