



1H 2015

Analysts' Briefing

07 August 2015

Outline

1H 2015 Results

- Financial Statements
- Margins
- Capex
- Operating Statistics

Key Messages

1. Net income grew at a steady pace of 19% to P8.4b
2. Revenues increased 10% to P50.6b driven by the sustained momentum of the core real estate businesses which grew 16% before intercompany adjustments
3. Margins improved across various product lines
4. Balance Sheet remained solid in support of growth
5. Capex spend reached P41.1b
6. Launched 21 residential projects, the Ayala Triangle Gardens mixed-use development and other leasing projects worth P80.9b in 1H 2015

Steady net income growth of 19% to P8.4b

- Revenues higher by 10%
- GAE ratio improved to 6.3% from 6.5%
- EBIT margin higher at 31% (vs. 30%)

Income Statement (in Php millions)	1H 2015	1H 2014	Change	%
Total Revenues	50,611	46,198	4,413	10%
Real Estate*	49,525	44,749	4,777	11%
Interest & Other Income	1,085	1,449	(364)	-25%
<i>Equity in Net Earnings of Associates and JVs</i>	(81)	629	(710)	-113%
<i>Interest & Investment Income</i>	859	445	414	93%
<i>Other Income</i>	308	375	(67)	-18%
Expenses	37,497	34,945	2,552	7%
Real Estate	30,979	28,901	2,079	7%
GAE	3,174	3,010	164	5%
Interest Expense, Financing and other charges	3,345	3,035	310	10%
Income Before Income Tax	13,113	11,252	1,861	17%
Provision for Income Tax	3,192	2,636	556	21%
Income before Non-Controlling Interest	9,921	8,616	1,305	15%
Non-Controlling Interest	1,534	1,562	-28	-2%
NIAT Attributable to ALL Equity Holders	8,388	7,054	1,333	19%

*Includes interest income on accretion.

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

Sustained momentum of core businesses

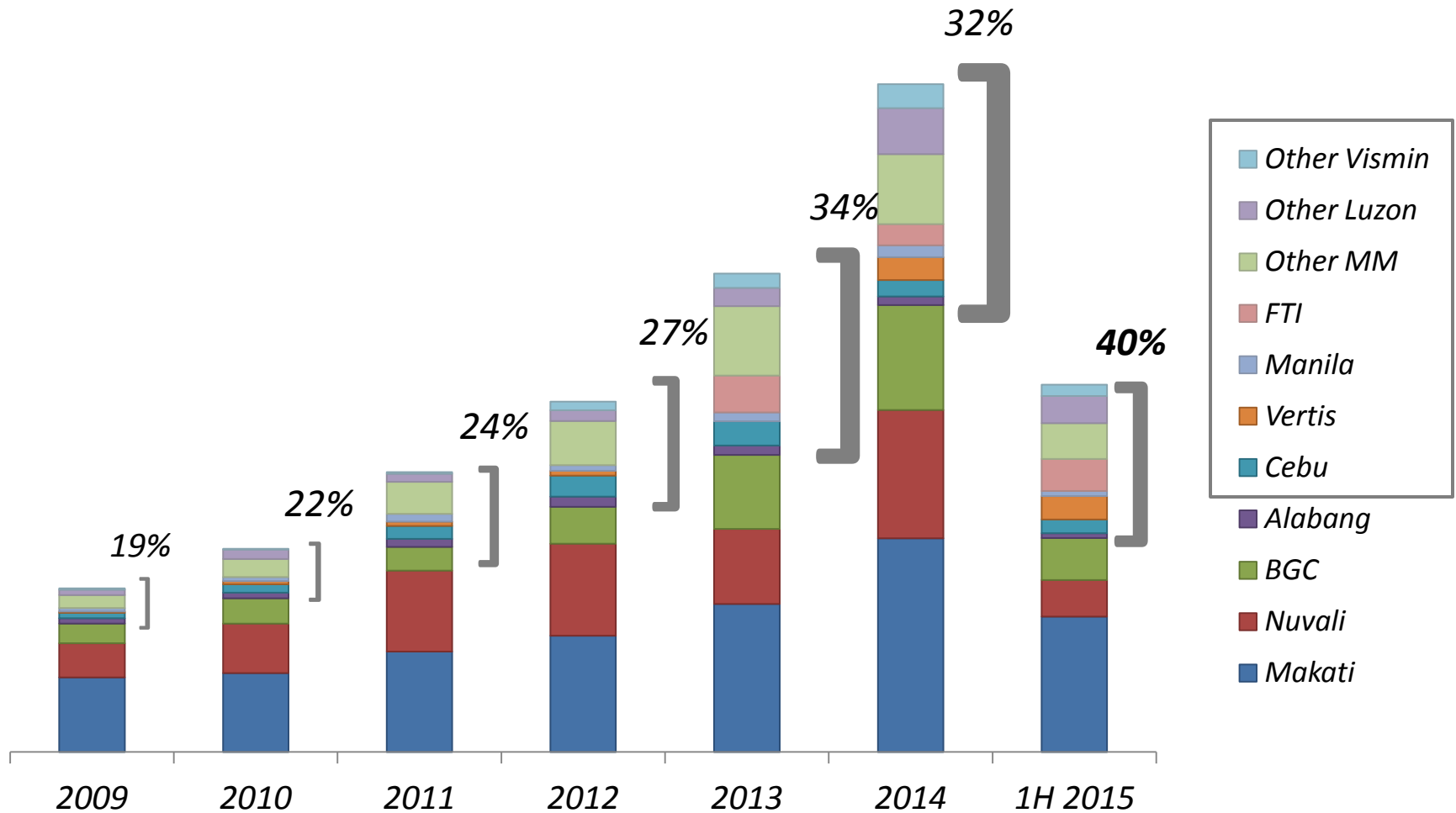
Revenue Breakdown <i>(in P millions)</i>	1H 2015	1H 2014	Amount	%	
Property Development	33,946	31,087	2,859	9%	
Residential	28,809	26,067	2,743	11%	<i>New bookings and project completion</i>
Office for Sale	2,360	827	1,533	185%	<i>Contribution of new ALVEO launches</i>
Comm'l/Ind'l lots	2,777	4,193	(1,416)	-34%	<i>Higher Arca South lot sales in 2014</i>
Commercial Leasing	11,399	10,364	1,036	10%	
Shopping Center	6,011	5,520	492	9%	<i>Improved performance of Fairview Terraces; higher occupancy and average rental of existing malls</i>
Office	2,427	2,096	331	16%	<i>Contribution of new offices; higher occupancy and average rental of existing offices</i>
Hotels and Resorts	2,961	2,748	213	8%	<i>Higher occupancy</i>
Services	19,900	14,574	5,326	37%	
Gross Construction	19,212	14,100	5,112	36%	<i>Increase in order book</i>
Property Mgmt.	688	474	214	45%	<i>Increase in managed properties due to new projects</i>
Sub -Total	65,246	56,025	9,220	16%	
Interco Adjustments	(15,721)	(11,277)	4,444	39%	
Real Estate Revenues	49,525	44,749	4,777	11%	
Interest & Other Income	1,085	1,449	(364)	-25%	<i>Lower equity in net earnings of FBDC</i>
Total Revenues	50,611	46,198	4,413	10%	

Improved margins across various product lines

Margin Performance	1H 2015	1H 2014	
Property Development <i>(Gross profit)</i>			
Residential			
<i>Horizontal</i>	43%	40%	<i>Sale of higher margin horizontal projects</i>
<i>Vertical</i>	36%	34%	<i>Steady margins across vertical projects</i>
Office for Sale	39%	38%	<i>New project launches in BGC</i>
Commercial and Industrial Lots	49%	51%	<i>Lower contribution from high margin commercial lots in Altaraza</i>
Commercial Leasing <i>(EBITDA)</i>			
Shopping Centers	67%	62%	<i>Higher occupancy and average rental of existing malls, improved performance of Fairview Terraces</i>
Office	88%	83%	<i>Positive EBITDA contribution of new offices and higher occupancy and average rental of existing buildings</i>
Hotels & Resorts	30%	29%	<i>Improved revpar of hotels and resorts</i>
Services <i>(EBITDA)</i>			
Construction and Property Management	12%	10%	<i>Better margins from MDC and APMC</i>

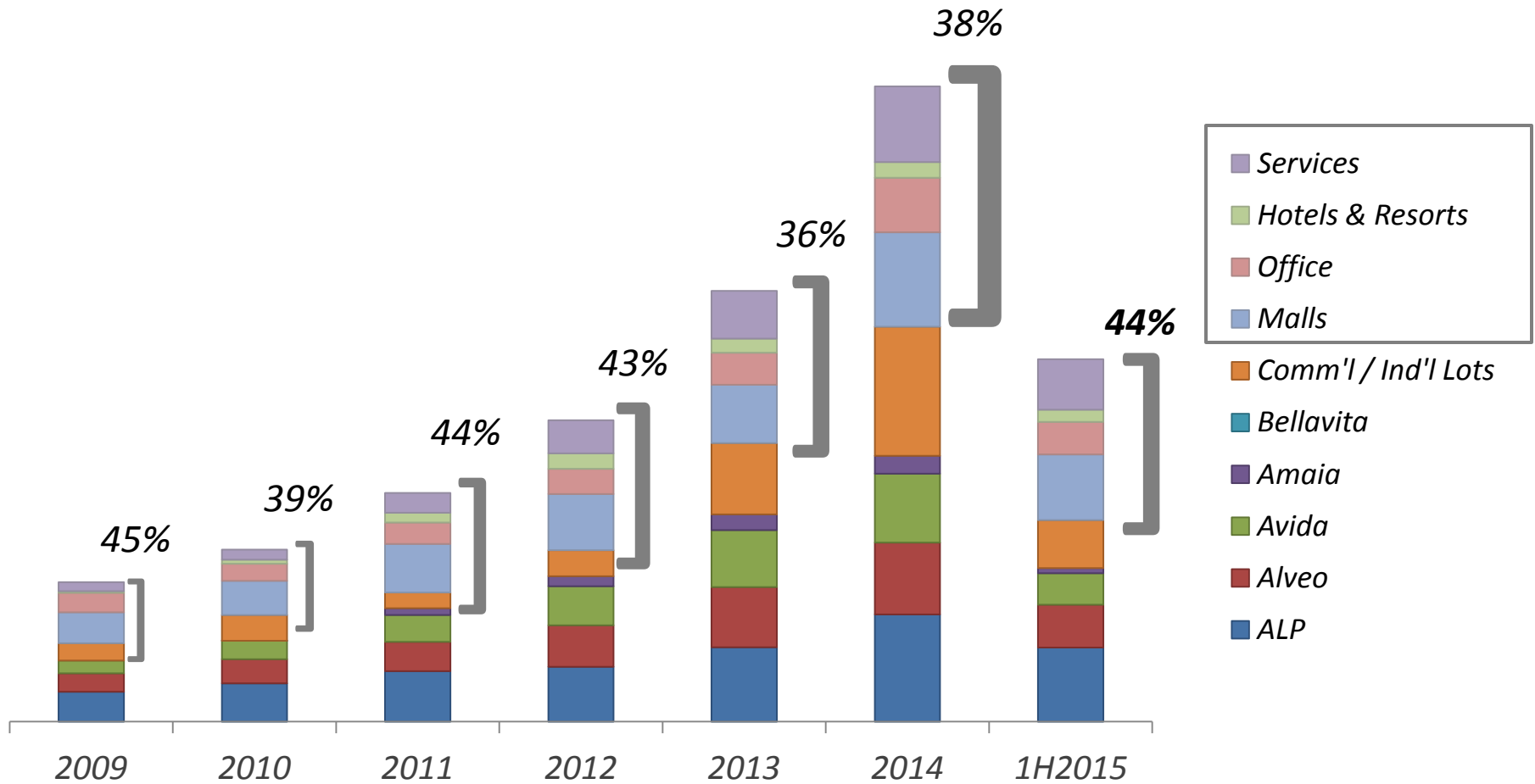
Continued diversification into new growth centers

NIAT contribution per business center



Continued build up of recurring income business

NIAT contribution per business segment



*Target is to increase the recurring income contribution to 50%

Solid balance sheet to support growth

Balance Sheet (in P millions)	June 2015	December 2014	Change	%
Cash & Cash Equivalents*	29,352	34,587	-5,234	-15%
Total Borrowings	124,634	124,666	(31)	0%
Stockholders' Equity	127,594	106,940	20,654	19%
<i>Current Ratio</i>	1.24	1.22	-	-
<i>Debt-to-Equity Ratio**</i>	0.86	1.02	-	-
<i>Net Debt-to-Equity Ratio**</i>	0.66	0.74	-	-
<i>Return on Equity</i>	14.3%	14.4%	-	-

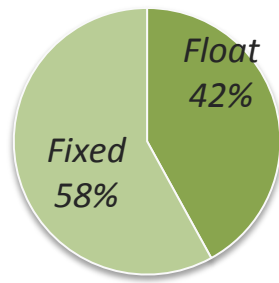
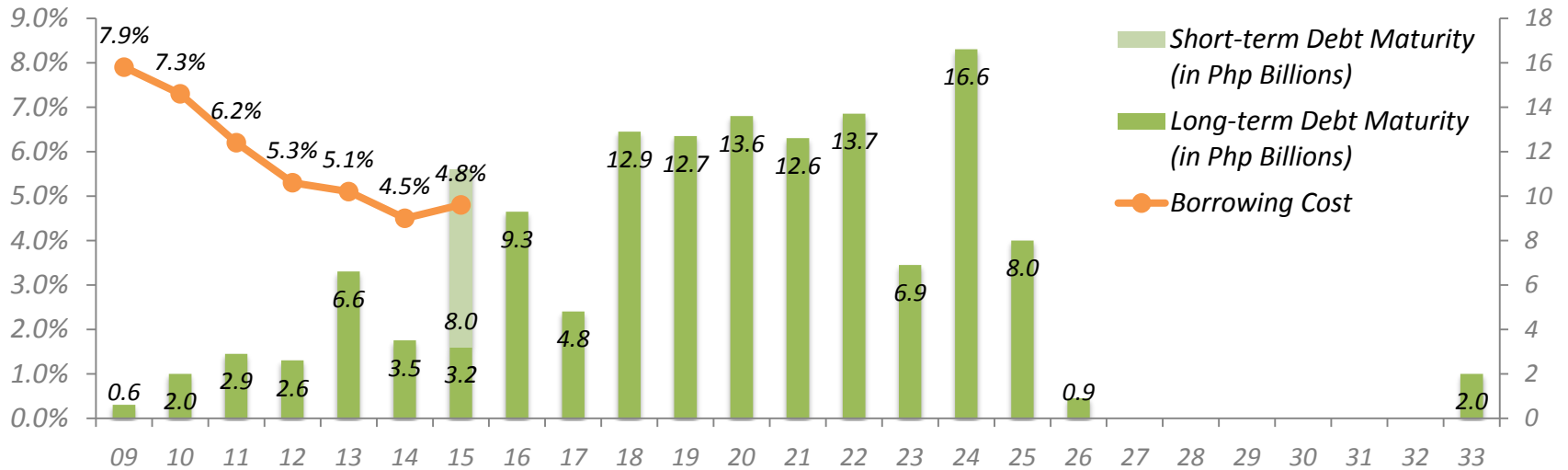
*Includes FVPL (financial assets at fair value through profit and loss)

**Equity is inclusive of minority interest

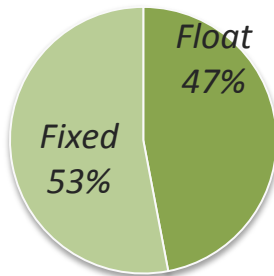
Improved capital efficiency via stretched maturities, lower cost of debt and managed debt mix

As of June 30, 2015

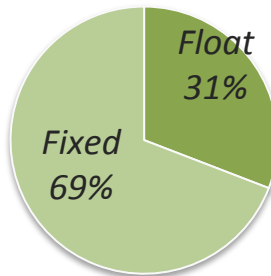
Total Borrowings: Php124.6B, Short-term Php8.0B



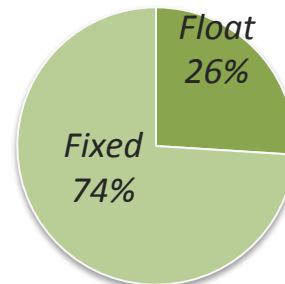
2011



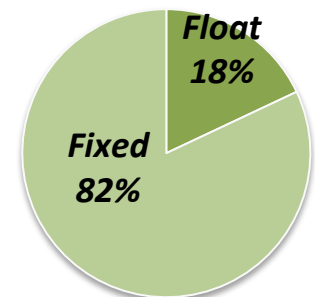
2012



2013



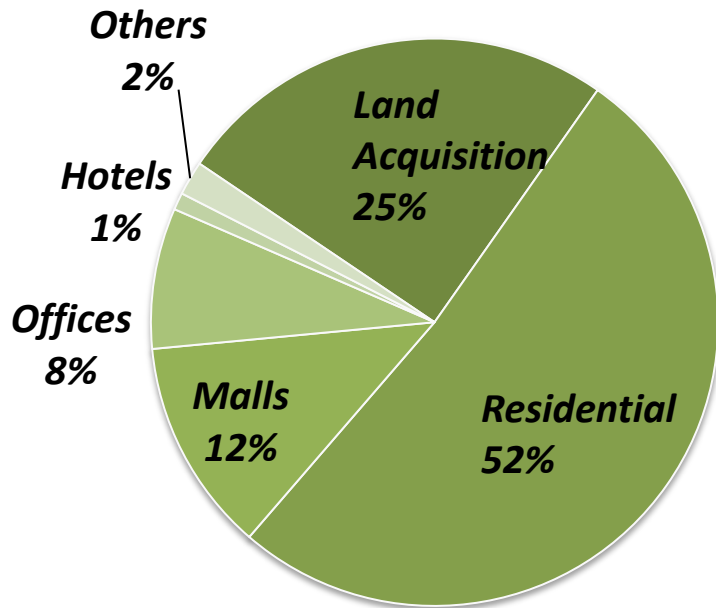
2014



1H 2015

Total capex spend reached P41.1b

1H 2015 Capex Spend



1H 2015 Capex Breakdown

(In Php billions)

Land Acquisition	10.4
Residential	21.2
Malls	5.0
Offices	3.3
Hotels	0.4
Others	0.8
Total	41.1

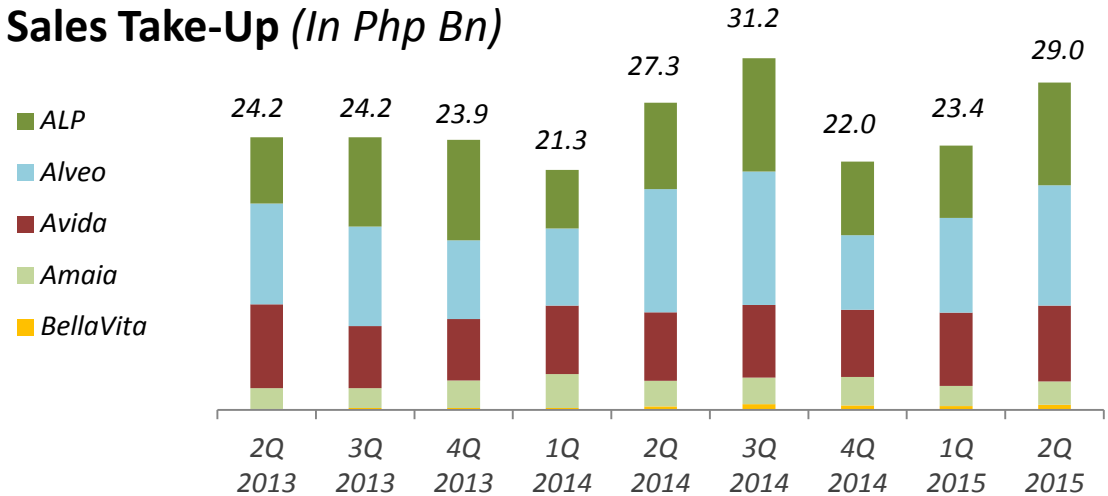
1H 2015 Actual

Land Acquisition	10.4
Residential	21.2
Malls	5.0
Offices	3.3
Hotels	0.4
Others	0.8
Total	41.1

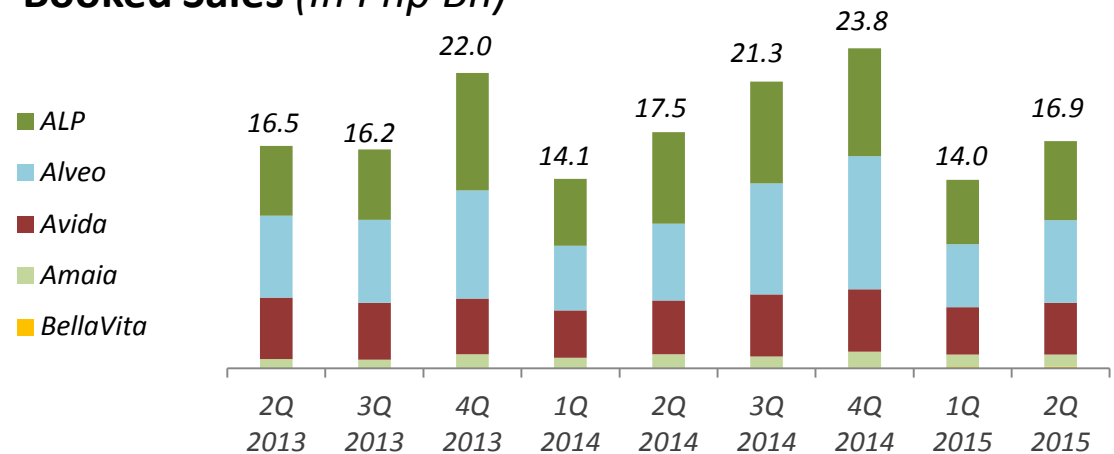
Residential: 1H 2015 Sales take-up 8% higher yoy

- Average of P8.8b in monthly sales
- Overseas Filipino Sales : P10.6b (20% of total sales)
- 2Q 2015 Booked Sales expanded 21% vs 1Q 2015

Sales Take-Up (In Php Bn)

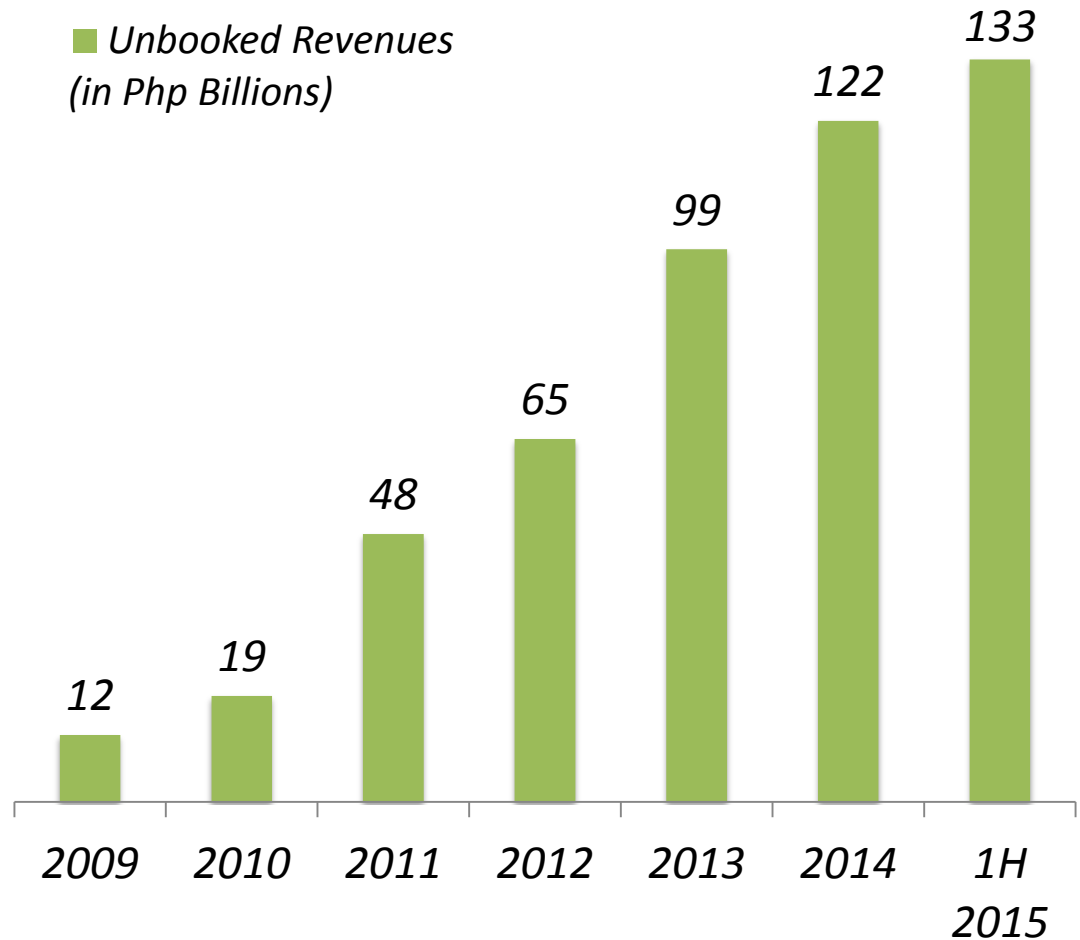


Booked Sales (In Php Bn)



Continued build-up of unbooked revenues

- Unbooked revenues up 9% yoy (P133b vs P120b in 1H 2014)
- 2.4x residential revenues in FY2014 (P55.9b)



Key Residential Updates



West Gallery Place (June 2015)
BGC Taguig
420 units, P10.3b, 13% cum. take-up



The Enclaves (May 2015)
North Point Bacolod
131 units, P414m, 73% cum. take-up



RioMonte (May 2015)
Nuvali Laguna
345 units, P3,2b 75% cum. take-up

Key Residential Updates

ALVEO



Mondia (June 2015)
Nuvali Laguna
642 units, P3.7b
20% cum. take-up



Montala (June 2015)
Alviera Porac
784 units, P3.2b
22% cum. take-up

Key Residential Updates

Avida



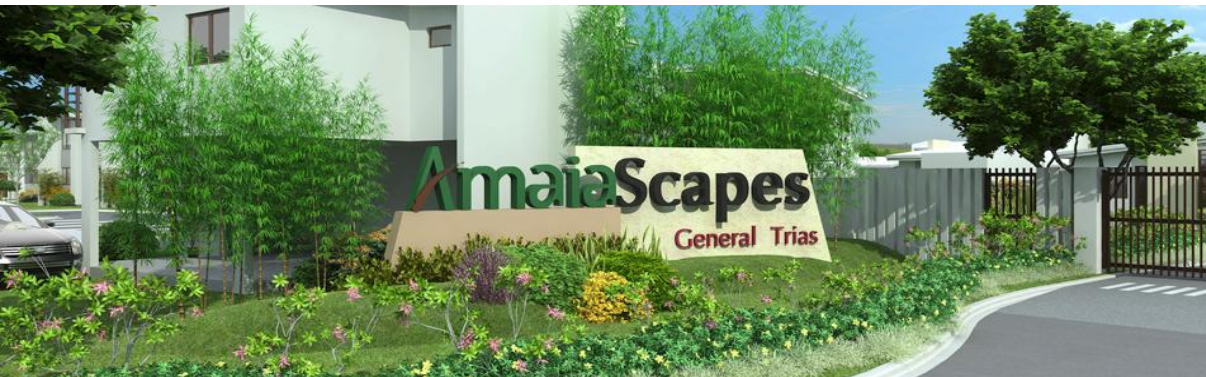
Avida Settings Alviera (Dec 2014)
Alviera, Porac Pampanga
532 units, P1.1b, 80% cum. take-up



Atria – Tower 2 (May 2015)
Atria Park District Iloilo
321 units, P949m, 31% cum. take-up

Key Residential Updates

Amaia



Scapes Gen. Trias S2 (April 2015)

Gen. Trias Cavite

366 units, P650m, 20% cum. take-up



Scapes Cam Sur 1 B1 (April 2015)

Camarines Sur

205 units, P430m, 70% cum. take-up

BellaVita



Cagayan de Oro (May 2015)

Cagayan de Oro

482 units, P220m, 35% cum. take-up

Shopping Centers: GLA up 2% yoy

- **Total Malls GLA:** 1.37m sqm
(vs. 1.34m sqm. in 1H2014)
 - *Serin Tagaytay* – 11k
 - *UP Town Center* - 16k
 - *Solenad* – 8k
 - *Atria* - 8k
- **Ave. Occupancy Rate:** 95%
(vs. 93% in 1H 2014)
- **Ave. Mall Lease Rates:**
up 1% to P1,159/sqm/month
- **Same mall rental growth:**
up 9% (vs. 10% in 1H 2014)

Key mall space completed in 1H 2015: 43k GLA



Ayala Malls Serin Tagaytay
(11,000 GLA)



UP Town Center Quezon City
(16,100 GLA)



Solenad Nuvali
(8,000 GLA)



Atria Iloilo
(8,000 GLA)

Shopping Centers Update

Key Launches in 2Q 2015 : 9k GLA



**Retail Space Ayala Triangle Gardens
(9k sqm)**

Under Construction: 606k GLA

Completion	Mall	GLA (in k sqm)
2015 (75k)	Solenad Nuvali	28
	Circuit Lane Makati	11
	Lio Palawan	3
	Iloilo Riverside	1
	Legaspi	18
2016 (195k)	Antipolo	13
	Vertis North QC	47
	Southpark Alabang	47
	Solenad 3 (DS)	13
	Iloilo Riverside	1
	UPTC Ph2	33
	Park Triangle Retail	24
	BHS Central Ear Lot	2
2017 (327k)	Paradigm Pasig	28
	Feliz/CMC	80
	Arca South Ph1	73
	Capitol Central	74
	Circuit Makati	58
2018 (9k)	Central Bloc	42
	ATG Retail	9

Offices: GLA up 9% yoy

- **Total Office GLA:** 633k sqm
(vs. 580k in 1H 2014)
 - *McKinley Exchange (10k)*
 - *Fairview Terraces (10k)*
 - *Cebu eBloc (15k)*
 - *Aegis (18k)*
- **Ave. Occupancy Rate:** 92%
(vs. 91% in 1H 2014)
- **Ave. BPO lease rates:** up 5% to
Php669/sqm/month
- **Leased-out rate:** 97%
(vs. 95% in 1H 2014)

Additional office space in 1H 2015: 53k GLA



Aegis People Support Cebu IT Park, Lahug
18,092 sqm GLA
(Acquired April 2015)

Offices Update

Key Launches: 56k GLA



VIEW FROM MAKATI AVENUE

**Tower 2 Ayala Triangle Gardens
(56k sqm)**

Under Construction: 834k GLA

Completion	Office	GLA (in k sqm)
2015 (106k)	Boni Stopover	35
	BGC Corp Center	27
	ATC BPO	18
	eBloc 4	16
	UP Bldg P	10
2016 (198k)	MBS (Paradigm)	47
	Vertis 1	41
	PSE at BGC	29
	ACC Cebu BPO	29
	Circuit 2	25
	Southpark BPO	21
	UPIS	6
2017 (167k)	Circuit	45
	Vertis 2	42
	Citygate Ph1 HQ	19
	Arca South	35
	Old PSE Lot	26
2018 (182k)	Arca South	46
	Vertis 3	36
	Park Triangle	34
	Ebloc 5	29
	Citygate Ph1 BPO	37
2019 (83k)	Arca South	44
	eBloc 6	39
2020 (98k)	ATG Tower 2	56
	Arca South	42

Hotels and Resorts: 2,172 rooms in operation

1H 2015	Hotels	Resorts
<i>No. of rooms in operation</i>	<i>Branded: 1,294 Seda: 665</i>	<i>El Nido Resorts: 213</i>
<i>Revpar/night</i>	<i>P3,954 (up 4%)</i>	<i>P8,620 (up 8%)</i>
<i>Average room rate</i>	<i>P5,394 (up 1%)</i>	<i>P13,198 (down 12 %)</i>
<i>Average occupancy</i>	<i>73% (up 2 pts)</i>	<i>65% (up 12 pts)</i>

Opening in 2015: 152 Rooms



Seda Iloilo
(152 Rooms)

Hotels and Resorts Update

Key Launches: 275 Rooms



Under Construction: 2,541 Rooms

<i>Completion</i>	<i>Hotel</i>	<i>No. of Rooms</i>
2015	<i>Seda Iloilo</i>	152
2016	<i>Seda Bacolod</i>	155
2017	<i>Seda Vertis North</i> <i>Seda Lio</i>	438 153
2018	<i>Seda Circuit</i> <i>Seda Arca South</i> <i>Seda CITP</i> <i>Seda BGC Expansion</i>	255 265 214 341
2019	<i>Seda Gateway</i> <i>Makati</i>	293
2020	<i>Mandarin Oriental</i>	275

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Thank You

INVESTOR RELATIONS

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