



13 July 2020

Philippine Stock Exchange, Inc.

6th Floor, PSE Tower, 28th Street corner 5th Avenue,
Bonifacio Global City, Taguig City

To **Janet A. Encarnacion**
Head, Disclosure Department

Philippine Dealing and Exchange Corporation

29th Floor, BDO Equitable Tower
8751 Paseo de Roxas, Makati City

To **Atty. Marie Rose M. Magallen-Lirio**
Head, Issuer Compliance and Disclosures Department

Securities and Exchange Commission

PICC Complex, Roxas Boulevard, Pasay City

To **Hon. Vicente Graciano P. Felizmenio, Jr.**
Director, Market Regulation Department

Dear Mesdames and Gentlemen,

Please see attached press release on the pre-effective approval of the Securities and Exchange Commission of AREIT's initial public offering.

Thank you.

A handwritten signature in blue ink, appearing to read 'AB' followed by a stylized flourish.

AUGUSTO D. BENGZON

Senior Vice-President
CFO, Treasurer and Chief Compliance Officer



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This document is not an offer of securities for sale in the United States or elsewhere. The shares of AREIT, Inc. ("AREIT") are not being registered under the United States Securities Act of 1933, as amended (the U.S. Securities Act) and may not be offered or sold in the United States unless registered under the U.S. Securities Act or pursuant to an exemption from such registration. There will be no public offering of the shares of AREIT in the United States.

A REGISTRATION STATEMENT RELATING TO AREIT'S COMMON SHARES HAS BEEN FILED WITH THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION, BUT HAS NOT YET BECOME EFFECTIVE. THESE SECURITIES MAY NOT BE SOLD NOR OFFERS TO BUY THEM BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT IS RENDERED EFFECTIVE. THIS COMMUNICATION SHALL NOT CONSTITUTE AN OFFER TO SELL OR BE CONSIDERED A SOLICITATION TO BUY.

Press Release

AREIT ₱15B IPO obtains SEC Pre-Effective Approval

13 July 2020 – The Securities and Exchange Commission ("SEC") issued on 10 July 2020 its pre-effective approval of AREIT Inc.'s ("AREIT" or the "Company") registration for a Real Estate Investment Trust ("REIT") Initial Public Offering ("IPO") with an offer of up to ₱15 billion. The base offer is up to 456,883,000 common shares at an offer price of up to ₱30.05 per share, with a stabilization option of up to 45,688,700 common shares (collectively, the "Offer Shares"). In total, this represents up to 49% of AREIT's capital stock.

Ten-percent of the proceeds from the offer shares will be used by AREIT to fund the acquisition of the fourth commercial leasing asset in its portfolio, Teleperformance Cebu, a Grade-A, PEZA-accredited BPO development located in Cebu I.T. Park. Meanwhile, 90% of the proceeds will be used by the sponsor, Ayala Land, Inc. ("ALI"), for reinvestment into its real estate projects in the Philippines, within one-year from the receipt of proceeds, pursuant to the revised implementing rules and regulations of the Philippine REIT Act of 2009.

AREIT's portfolio consists of investment grade commercial assets in very prime business locations in Makati City. All properties are occupied by diverse high-quality tenants consisting of large Business Process Outsourcing companies, top multinationals and local headquarter offices, together with amenity retail, food, and essential stores. Its first property, Solaris One is located along Dela Rosa Street, and is one of the pioneer BPO buildings in the country which continues to command prime rental rates and healthy tenancy to this day. The second property at the northern end of Ayala Avenue is Ayala North Exchange – a mixed-use commercial development, completed in 2019, with two office towers, a retail podium, and Seda Residences Makati, a serviced apartment covered by a long-term lease with a subsidiary of ALI. The third building, which AREIT leases from ALI, is McKinley Exchange Corporate Center located at the very prominent corner of EDSA and McKinley Road. Together with the acquisition of Teleperformance Cebu post-listing, AREIT will have a total gross leasable area of over 170,000 square meters, providing its investors with stable cashflows and opportunities for growth.

With the SEC pre-effective approval, AREIT is closer to launching the country's maiden REIT. It shall be securing approval from the Philippine Stock Exchange ("PSE") of its listing application, and its Order of Registration and Permit to Sell from the SEC.

BPI Capital Corporation acts as the Sole Global Coordinator and Joint Bookrunner for the Offer while UBS AG Singapore Branch is the International Bookrunner for the international tranche of the Institutional Offer. BPI Capital Corporation, PNB Capital and Investment Corporation, and SB Capital Investment Corporation, will collectively act as the Joint Lead Underwriters for the domestic tranche, and together with the International Bookrunner, will underwrite the respective tranches of the IPO.



For more information on AREIT and its initial public offering, please visit <http://www.aret.com.ph> or contact AREIT's Investor Relations Office at (632) 7908 3296.

ABOUT AYALA LAND, INC.

Ayala Land is the Philippines' leading developer of sustainable estates, offering a diverse mix of properties such as residential, retail, office, hotels, and leisure developments, that support local economic growth and nation-building. The company was established in 1988 as the real estate arm of Ayala Corporation, a pioneer conglomerate and builder of the country's premier financial and commercial district, now known as Makati Central Business District and Ayala Center. Today, Ayala Land has a total of 29 sustainable estates and is present in 57 growth areas nationwide. It has five residential brands, namely Ayala Land Premier, Alveo, Avida, Amaia, and BellaVita, which deliver quality homes to a broad segment of the housing market. Its commercial development and leasing portfolio are comprised of Ayala Malls, Ayala Land Offices, and Ayala Land Hotels and Resorts Corporation.

Ayala Land, Inc.

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