



07 August 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 Ayala Land's 1H 2020 results.

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



Press Release

COVID-19 weighs down ALI 1H20 performance

August 7, 2020 – Ayala Land Inc. (ALI) recorded consolidated revenues of P41.2 billion and a net income of P4.5 billion for the first six months of 2020. These represent declines of 50% and 70% respectively from the same period in 2019 due to the impact of COVID-19 on its operations. Revenues from property development amounted to P24.9 billion, a 58% drop mainly due to lower project bookings and suspended construction activity.

Residential revenues also declined 54% to P20.5 billion while office for sale revenues dropped by 86% to P1.4 billion. Revenues from the sale of commercial and industrial lots decelerated by 31% to P3.0 billion, while sales reservations registered at P38.3 billion -- 47% lower than last year given limited selling activities during the quarantine.

“COVID-19 severely impacted our performance in the first half of the year. Although we are seeing some positive signs of recovery in certain product lines, we expect the remainder of the year to be extremely challenging. Our property sales started to gain traction as the economy reopened but the performance of our malls and hotels continue to be seriously affected under the current environment. We are constantly making adjustments in our operations to position the company for renewed growth when the economy recovers,” said ALI President and CEO Bernard Vincent O. Dy.

In response to the ongoing pandemic, the company has so far allocated P5 billion in waived rent to assist merchant partners, while P426 million was raised to support the efforts of Project Ugnayan. It has also earmarked P600 million to assist no-work-no-pay workers in its eco-system. An employee fund-raising program also raised a total of P82.6M to equip three designated COVID-19 public hospitals and Caritas Manila. In collaboration with the COVID-19 Inter-Agency Task Force, the company's construction arm likewise transformed the World Trade Center into a 502-bed quarantine facility and the Philippine Red Cross lobby into a testing laboratory.

In the first quarter of 2020, Ayala Land launched four projects with a total value of P5.0 billion. These were Avida Greendale Settings at Alviaera in Pampanga, Amaia Steps The Junction Place Aria in Quezon City, Amaia Scapes Cabuyao Series 3 area 2, and Bellavita Alaminos 2, both in Laguna. Consistent with the company's strategy to maintain financial sustainability during the quarantine period, no new residential projects were launched in the second quarter of 2020.

Office leasing revenues increased by 7% to P4.9 billion through the sustained operations of BPO and HQ buildings. Commercial leasing revenues declined 31% to P12.9 billion given restricted mall and hotel operations and the closure of resorts. Shopping center revenues dropped 43% to P5.8 billion while revenues from hotels and resorts ended 43% lower to P2.1 billion.

The company's capital expenditures reached P34.8 billion in the period, mainly for residential developments and commercial leasing assets. The full year capex estimate has been adjusted to P69.8 billion from the previously planned P110 billion.



Last month, ALI secured regulatory approvals from the Securities and Exchange Commission and the Philippine Stock Exchange for the initial public offering of the first Real Estate Trust Investment (“REIT”) in the Philippines. AREIT, Inc. aims to enable capital recycling to further promote development in the country. Its portfolio includes three Grade A properties in Makati City covering a total gross leasable area of 152,755.80 square meters with a total occupancy rate of 99.9%. The base offer is 456,883,000 common shares at an offer price of ₱27.00 per share, with a stabilization option of up to 45,688,700 common shares. In total, this represents approximately 49% of AREIT’s capital stock. The offer period was completed last August 3, 2020 and the Firm Offer was 2x oversubscribed from retail investors as well as international and domestic institutional investors. AREIT is targeting to list on August 13, 2020.

For more information, please contact:

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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.