

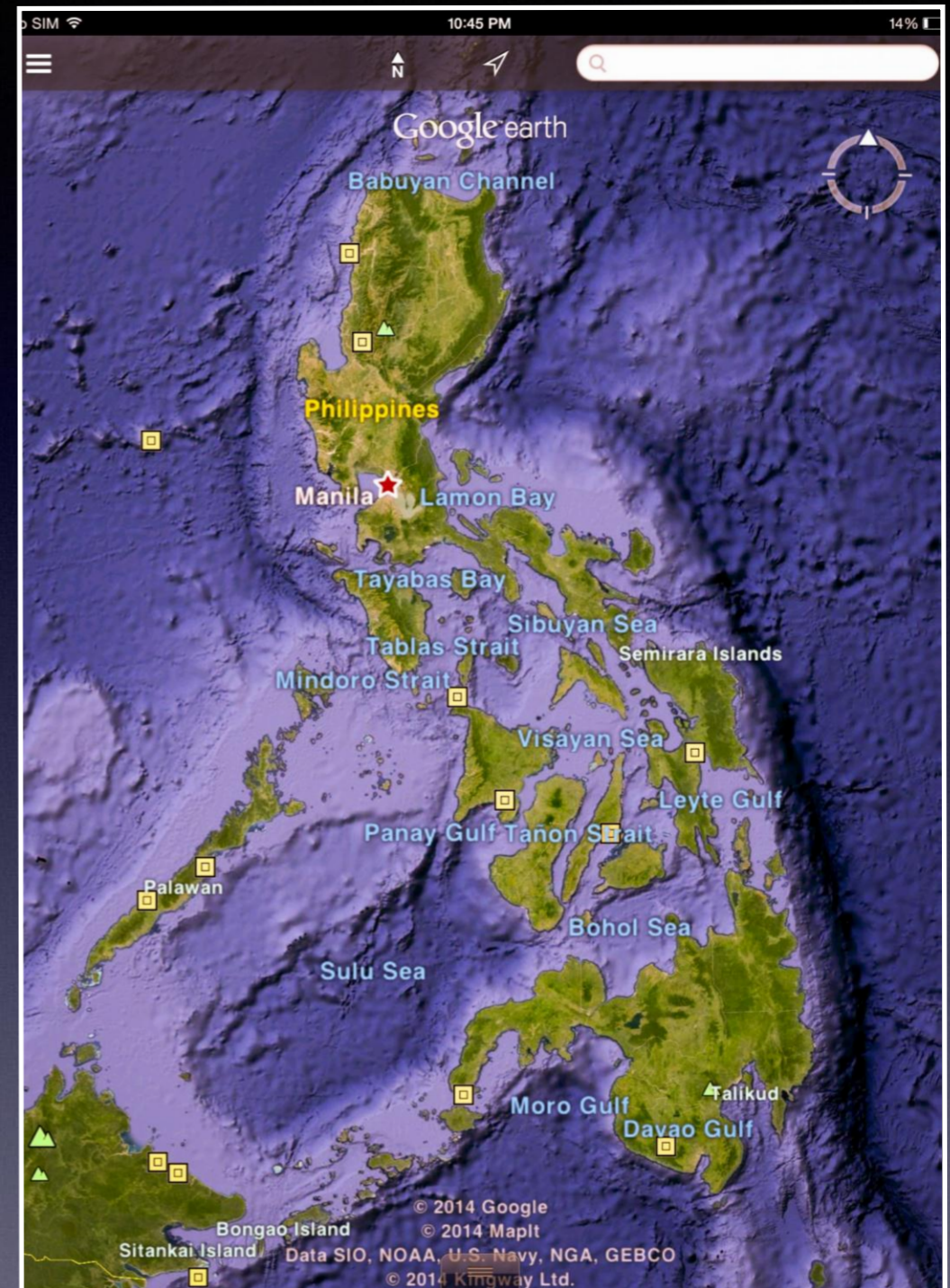
Philippines : Asia's Rising Star?



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DEMOGRAPHICS

- Population - 103M
- 7,107 Islands covering 300,000km radius
- Top Cities: 1. Manila 2. Cebu 3. Davao
- Language- English, Filipino with 180 local dialects
- Heritage-Spanish, Chinese, Malay, Americans & Aborigines (Aetas)
- tycoons: 8 out of the top 10 are Filipino-Chinese Ancestry
- Foreign Exchange - \$1: P44.5



(Source : NSCB Nat'l Statistics
Coordinating Board)

PH Historical GDP :

- 2010 - 7.1%
- 2011 - 3.64%
- 2012 - 6.8%
- 2013 - 7.2% (2nd to China)
- 2014 - World Bank 6.6% & Phil Govt 6.5% - 7%
- Source: National Economic Development Authority (NEDA)

2013 Economic Data

- GDP Per Capita - US\$1.05 B PPP per capita
 - Inflation (CPI) 2.1%
 - Labor Force - 60M
 - unemployment ratio - 6.5%
 - Main Industries - BPO, Electronics
 - Exports - \$ USD 54 B
 - Revenues - \$ USD 34.5 B
 - Foreign Reserves - \$ USD 85.76 B
- (Source : NEDA, NSCB, BSP - Bangko Sentral Pilipinas) :

2013

FITCH - March (BBB-
Outlook: Stable)

STANDARD & POORS
S&P - May (BBB-
domestic/foreign &
BBB T&C Assessment
Outlook: Stable)

MOODY'S - Oct (Baa3
Outlook: Positive)



3 Investment Grade
Upgrades in 2013

MOODY'S

STANDARD
& POOR'S



WHAT WENT RIGHT ?

- Good Governance
- Solid Macro-Economic Fundamentals
- Consumer-Driven Economy

Property Market Overview

- 4M Units Backlog in residential housing
- backlog to end by 2030
- Increasing Demand for BPOs and Integrated Community Based Developments
- Countryside Development Programs- Infrastructure , BPO, Tourism

(Sources: Colliers Int'l Phil. Research & Jones Lang LaSalle Phil, CBRE)

OFFICE MARKET

Dominated by growing BPO Industry

PH overtook India in Call Center (Voice) industry since 2011 Ranked 2nd to India in the non-voice bpo sector.

2013 - 2,322 units (400,000 sqm) new offices delivered Commercial
Condos average growth of 25%

2014 and 2015 - Targeting 570,00 sqm for turnover

Vacancy Rate - 2.3% (2013) lowest since 2008

2011 - US\$ 11B

2012 - US\$ 13B

BPO demands increasing 20% per year since US and European
Companies seeks to lower operating costs

Trend : Maintain current level within next 12 mos. (Source : Colliers Phil., Jones
Lang Lasalle Phil.)

2013 RENTALS IN MAJOR CBD's

Limited Rental space supply

Premium: US\$ 22Php/sqm

Grade A: US\$ 17.5/sq

Grade B: US\$14.5/sq

TREND : Rental rates expected to increase to Php 5-8% yearly

RESIDENTIAL PROPERTY IN CBDs (The Fort and Makati)

2013. - 4,400 High Rise units for delivery

2014-2016- 19,700 more for turnover

Premium Units (10%), Grade A Units (85%) &
Grade B Units (5%).

Vacancy Rates in cbd's:

2013 - 12%

2014-2015 - 7-8%

CHALLENGES

- Ease of Doing Business ranked 108th of 183 countries.
- Ravage from Typhoon Haiyan (Yolanda) Damage
- vulnerability of Asean Region to adverse Global Devt (ie. interest hikes, volatility in commodity prices).

Investment Opportunities

Bullish Economy

Aggressive Pro-Investment Policies and loosening property ownership

HOTEL AND LEISURE SECTOR - adding 4,300 Hotel Rooms per year. 40% coming from

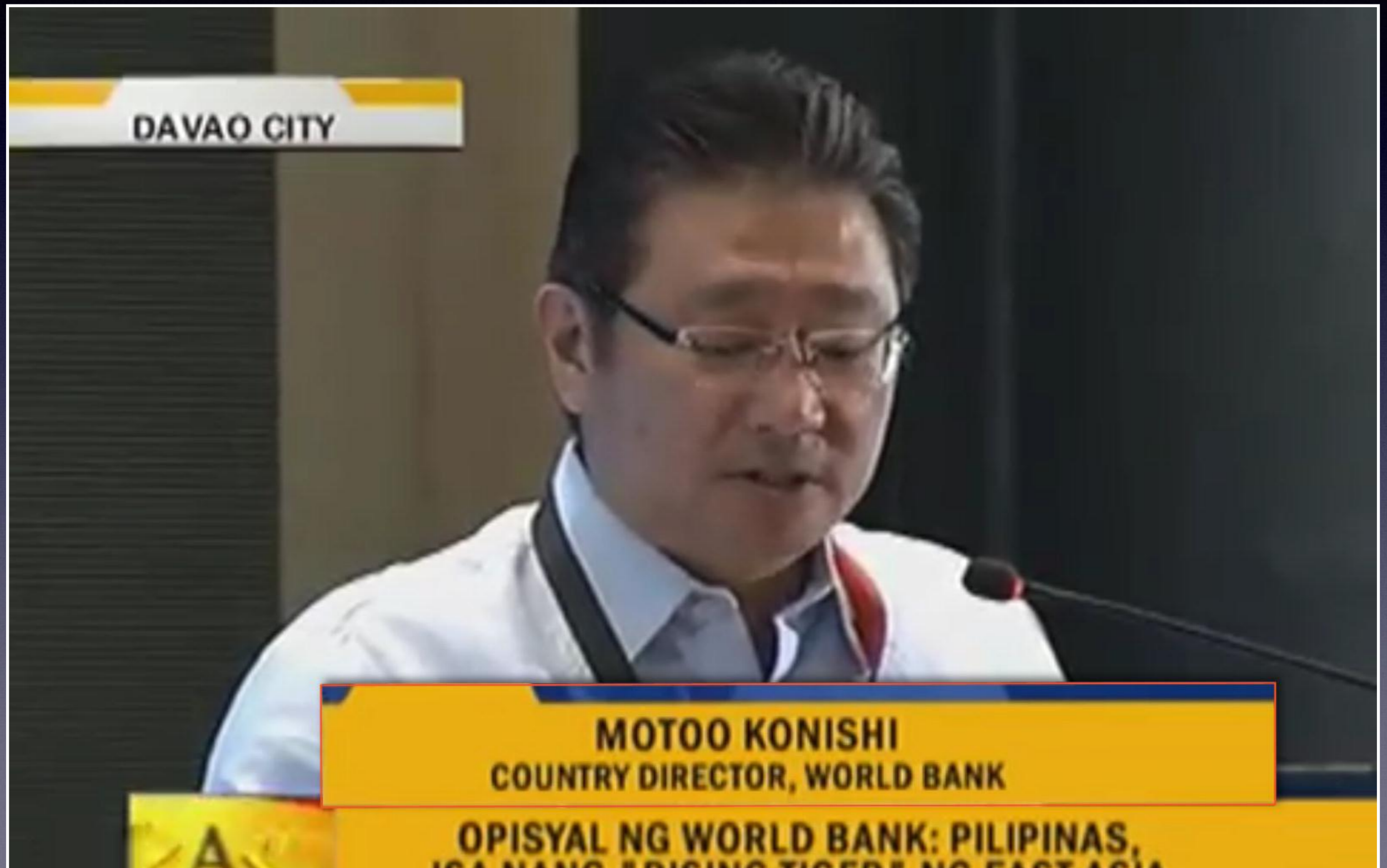
(PAGCOR Entertainment City (Vegas of Asia)- composed of 7 Casino Resort Hotels, Marina/ Yatcht Club, Allied businesses

Vertical Developments supports increasing BPO Demand

Private/Govt opportunities- 10M tourist arrivals by 2016.

Horizontal Development on Countryside & other major provincial cities like: Cebu, Davao, Iloilo, CDO etc.

Once A Sick Man of Asia, Philippines is now a Rising Tiger - World Bank...



DAVAO CITY

MOTOO KONISHI
COUNTRY DIRECTOR, WORLD BANK

OPISYAL NG WORLD BANK: PILIPINAS,
ISA NANG 'RISING TIGER' NG EAST ASIA