



Press Release

AREIT property value to reach P52B via accretive P15B asset infusion by ALI

16 March 2021 | Earlier today, AREIT, Inc. (AREIT) announced plans to increase its deposited property value to P52 billion through a property-for-share swap transaction with its sponsor, Ayala Land, Inc. This is subject to the approval of its shareholders on its first annual meeting on April 23, 2021 and pertinent regulatory bodies. Its Board of Directors approved the increase of AREIT's authorized capital stock from Php11,740,000,000.00 to Php29,500,000,000.00 and the subscription of Ayala Land, Inc. (ALI) of 483,254,375 primary common shares of AREIT in exchange for identified commercial properties valued at P15,464,140,000.00. The transaction will be undertaken via a property-for-share swap at a price of P32.00 per share as validated by a third-party fairness opinion.

This asset infusion by ALI will increase AREIT's leasing portfolio from 344 to 549 thousand sq. meters and contribute further to its operating cashflows, resulting into higher dividends for its shareholders. The assets are primarily composed of office leasing properties located within Ayala Land's prime estates in the country. The details of the properties will be disclosed subsequently in the 2021 Definitive Information Statement which shall be made available by AREIT to its shareholders on or before March 31. The comprehensive corporate disclosure on the transaction will also be disclosed within five (5) trading days from the said announcement in accordance with the Listing Rules of the Philippine Stock Exchange. Subject to shareholders approval, AREIT's outstanding common shares will increase to 1,508,910,810 from 1,025,656,435 wherein ALI will own approximately 66%, demonstrating its strong Sponsor support in AREIT while adhering to the prescribed minimum public ownership requirements under Philippine laws.

"We are excited to present this transaction to our shareholders as we deliver on our commitment to expand further and create more value. Notwithstanding ALI's increased ownership, AREIT's dividend per share is projected to grow with the addition of these new assets. At the exchange price of P32 per share, these assets to be infused are yield accretive to AREIT at 6%," said Carol T. Mills, AREIT President and CEO.

"The priority of AREIT is to deliver to its investors a compelling yield that grows over time. This is derived from its stable recurring income with contracted escalations, as well as the addition of new assets in the portfolio. Through our Sponsor Ayala Land, AREIT is in a position to grow with ALI's healthy pipeline of prime commercial properties nationwide," Mills added.

AREIT, the first Philippine REIT, performed consistently and delivered stable quarterly dividends covering its full year 2020 operations, delivering a total of P1.32 per share. Last January 2021, AREIT added two prime assets in its portfolio - The 30th Commercial Development in Pasig, and an industrial land leased by Integrated Micro-Electronics, Inc. located in Laguna Technopark. Combined, the two properties have added a total of 175 thousand sq. meters of leasable space to its portfolio and brought its total property value to P37 billion this year.

For more information, please contact:

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