



ANALYSTS' BRIEFING FIRST HALF 2011

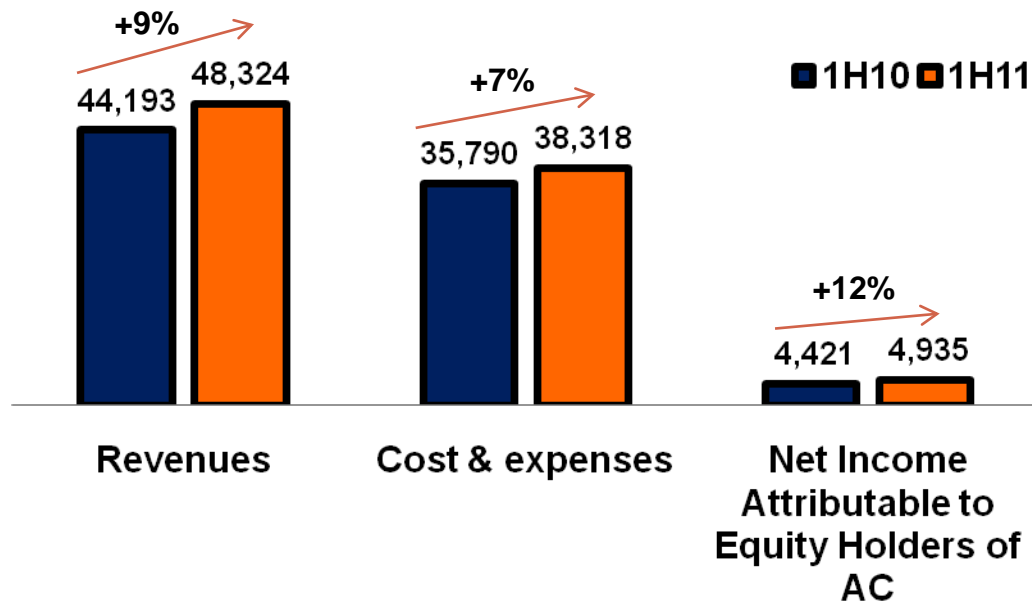
12 August 2011

Consolidated Financial Highlights

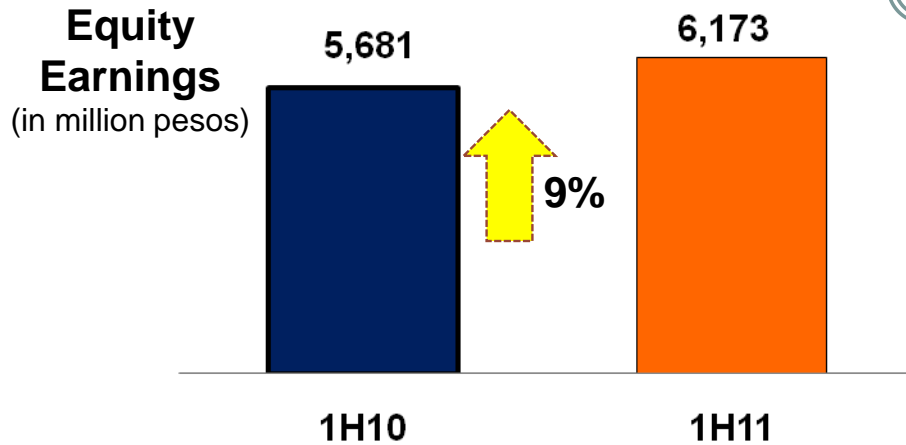
(in million pesos)



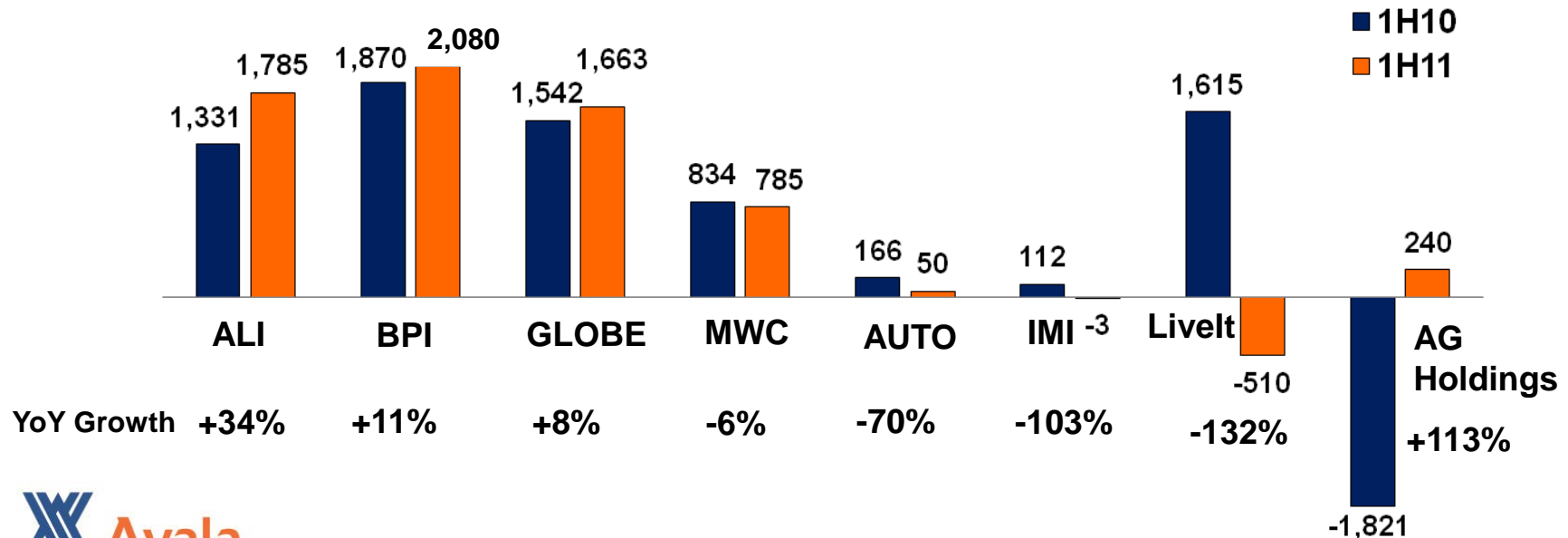
- Consolidated revenues up 9% due to continued ramp-up in revenues of property, water, and electronics units, partly tempered by lower sales of automotive business
- Cost and expenses increased at a milder rate of 7% as a result of cost efficiency efforts
- Strong equity earnings helped push consolidated net income higher



Strong performance of core businesses lift earnings



- Equity earnings up 9% due to strong performance of property and banking units and continued strong recovery of telco
- Lower net earnings of auto, electronics, and BPO tempered growth

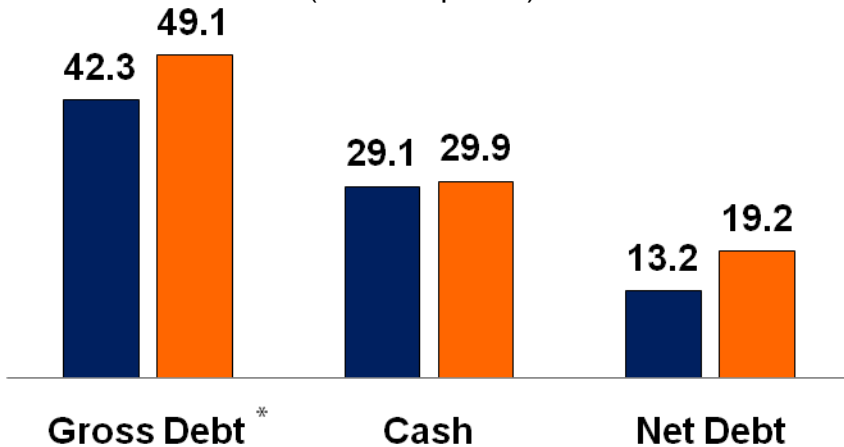


Balance Sheet Highlights Parent Company



■ As of 12-30-10 ■ As of 6-30-11

(in billion pesos)

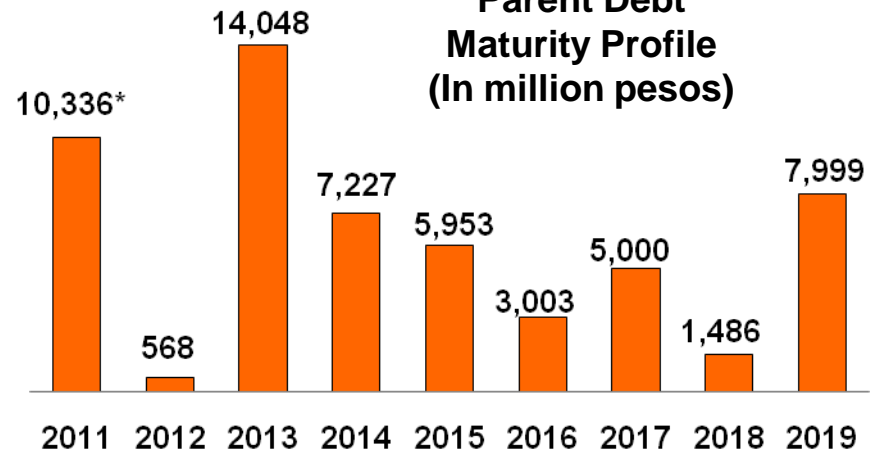


	As of 6-30-11	As of 12-30-10
Net Debt to Equity	0.17	0.12
Debt Mix (%)		
Peso	88	84
Dollar	12	16
Cost of Debt %	5.5	5.7

*Excludes Preferred Shares

- Issued P10B multiple put bond last May
- Redeemed P5.8B preferred B shares last July

Parent Debt
Maturity Profile
(In million pesos)



*Excludes P5.8B preferreds redeemed last July 2011

Development work on various power projects progressing



AC Energy Holdings, Corp.



PhilNew Energy, Inc.

50%

- JV with Diamond Generating Asia (100% subsidiary of Mitsubishi Corp.)
- Identified location
- Requisite permits in process (i.e. RESC, ECC, GIS)
- Target to start construction by 1Q12



NorthWind Power Corp.

50%

- JV with NorthWind founders
- Operating 33MW windfarm with 20 turbines
- Acquisition cost of P513M



PhilNewHydro Group

70%

- JV with Sta. Clara Power Corp.
- On-going grid impact study and engineering designs for near shovel-ready projects
- Target start of construction by year end



South Luzon Thermal Energy Corp.

50%

- JV with Tran-Asia Oil
- Financial close targeted by year-end
- Initial ECC in place; GIS due for release
- Target commercial operations by 2014

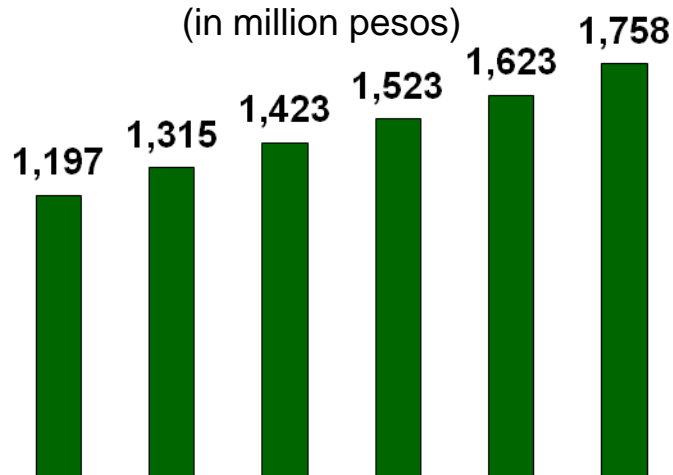


BUSINESS UNIT REVIEW

Robust performance with strong revenue and earnings growth sustained

Consolidated Net Income, by Quarter

(in million pesos)



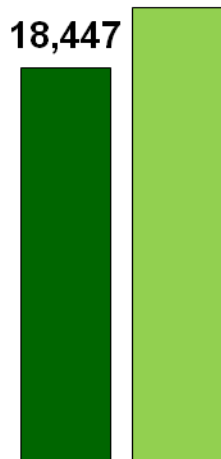
1Q10 2Q10 3Q10 4Q10 1Q11 2Q11

- Quarterly earnings momentum sustained with 2Q11 net income up 8% QoQ



+15%

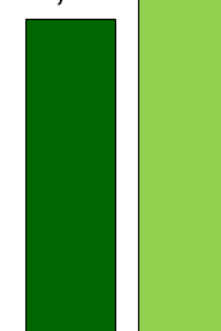
18,447 21,253



Total Revenues

+10%

14,699 16,223



Expenses

■ 1H10 ■ 1H11

(in million pesos)

+35%

2,512 3,381



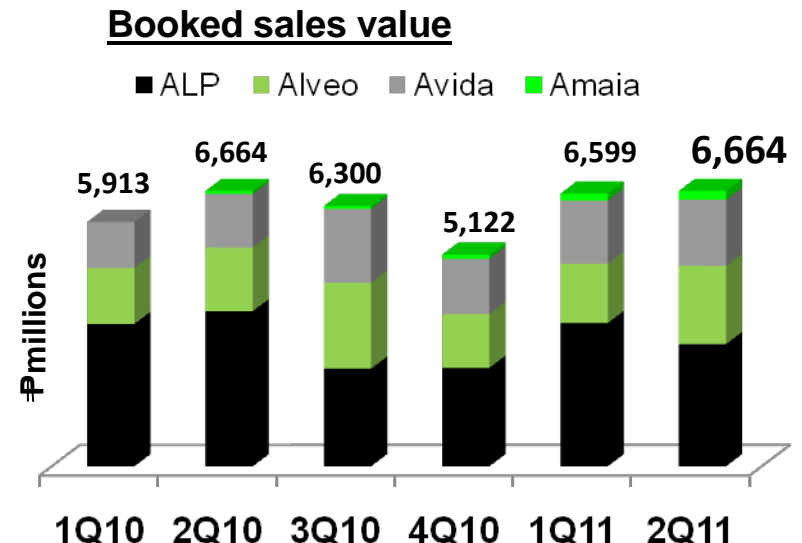
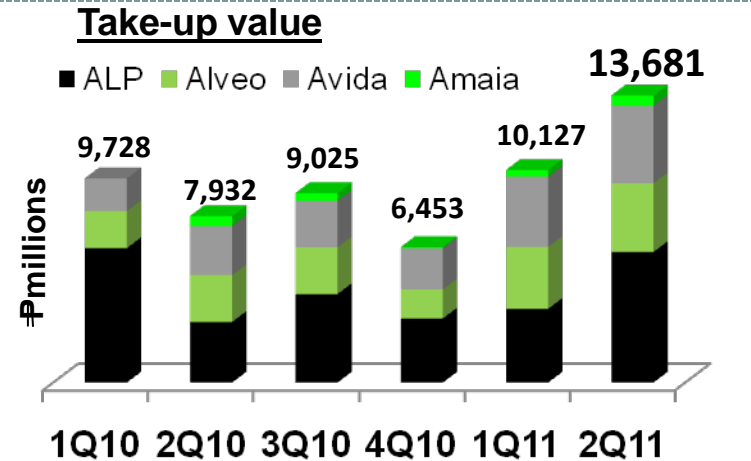
Net Income Attributable to Equity Holders of ALI

- Double-digit revenue growth sustained in 1H11 driven by buoyant residential sales and commercial leasing
- Well contained increase in expenses resulting in margin improvement across major business units
- 35% increase in net income

Revenue growth driven by property development and commercial leasing

Revenue Breakdown (in million pesos)	1H10	1H11	% Change
Property Development	9,686	12,336	+ 27%
Residential Units	9,309	11,287	+21%
Comm'l/Ind'l Lots	377	1,049	+178%

- 27% increase in property development revenues due to steady completion and bookings
- Additional sale of commercial lots in NUVALI further enhanced revenues
- Strong performance of newly launched projects (i.e. Santierra and Garden Bridge); 1H11 launches is 33% of target 20,258 units for 2011
- Record quarterly take-up of P13.7B in 2Q11



Revenue growth driven by property development and commercial leasing



Revenue Breakdown (in million pesos)	1H10	1H11	% Change
Commercial Leasing	2,977	3,493	+ 17%
Shopping Center	2,133	2,317	+9%
Office	844	1,176	+39%
Hotels & Resorts	883	1,104	+25%
Services	3,907	3,059	-22%
Others	994	1,261	+27%



Abreeza Mall (Davao) opened last May with 53,000 sqm retail GLA and was 92% leased out

Shopping Centers

- Average occupancy of all malls at 96% vs 93% in 2Q10
- Average lease rates up 6% to P1,044/month

Office

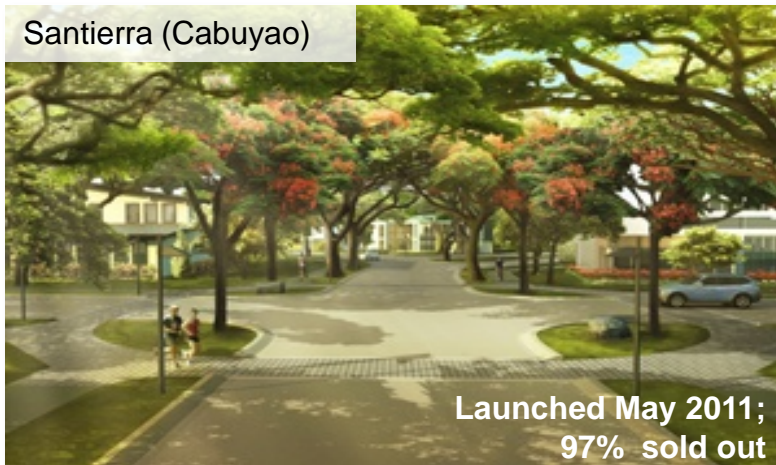
- Occupied BPO GLA up 33% YoY to 225K sqm
- Occupancy rate of 79% from 66% in 1H10; leased out rate at 83%
- Average lease rates of P571/month slightly lower YoY due to mix (i.e. increasing non-CBD locations)

Project launches across brands and geographies are on track and should sustain momentum

RESIDENTIAL:

- 3Q11 launches to reach ~5K units:
 - Launched in July (1,900 units): *Park Terraces 3, Elaro (ALP), Lerato 2 (Alveo), Centera 2, Avida Residences Cabanatuan (Avida)*
 - 3Q11 pipeline (3,000 units): *Abreeza Residences (Alveo), Avida BGC, NUVALI Parkway (Avida), AmaiaScapes (Batangas and Cavite)*

Santierra (Cabuyao)



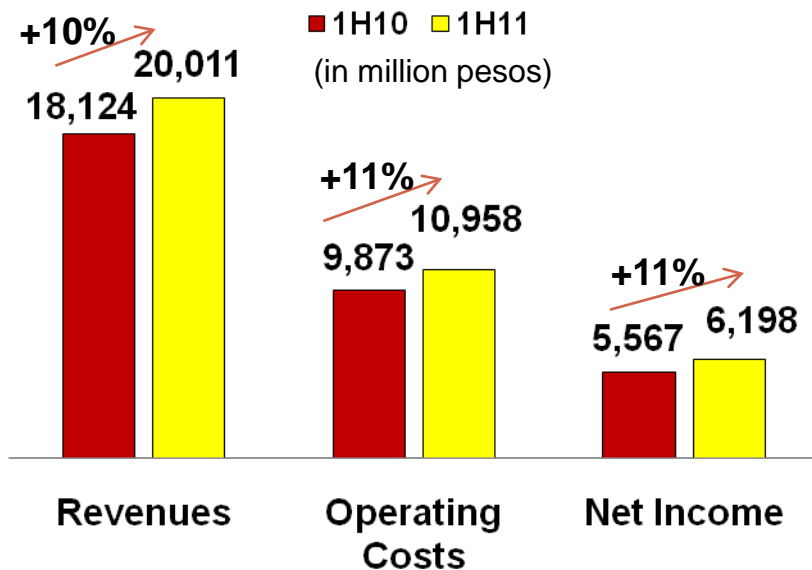
COMMERCIAL LEASING:



Ayala Center Cebu Redev
36,000 sqm GLA
Target Opening: 4Q2013



Strong Double-Digit Growth in Business Volumes, Revenues, and Net Income



- Revenues increased due to:
 - 12% growth in net interest income as a result of higher average assets and spreads
 - Other income up 7% from fee-based income and rental
- Operating costs increased by 11% due to non-recurring CBA-related expenses
- Net income up 11% to P6.2B

Double-digit loan growth sustained while asset quality remains strong



(in Php B)	As of 6/30/11	YoY Growth
Total Resources	855	+11%
Deposits	691	+9%
Net Loans	409	+16%
Selected Ratios:		
NPL Ratio (Net 30-day)	1.8%	(53 bps)
Cost-to-Income Ratio	54.8%	+29 bps
ROE	15.3%	(1.4% pts)

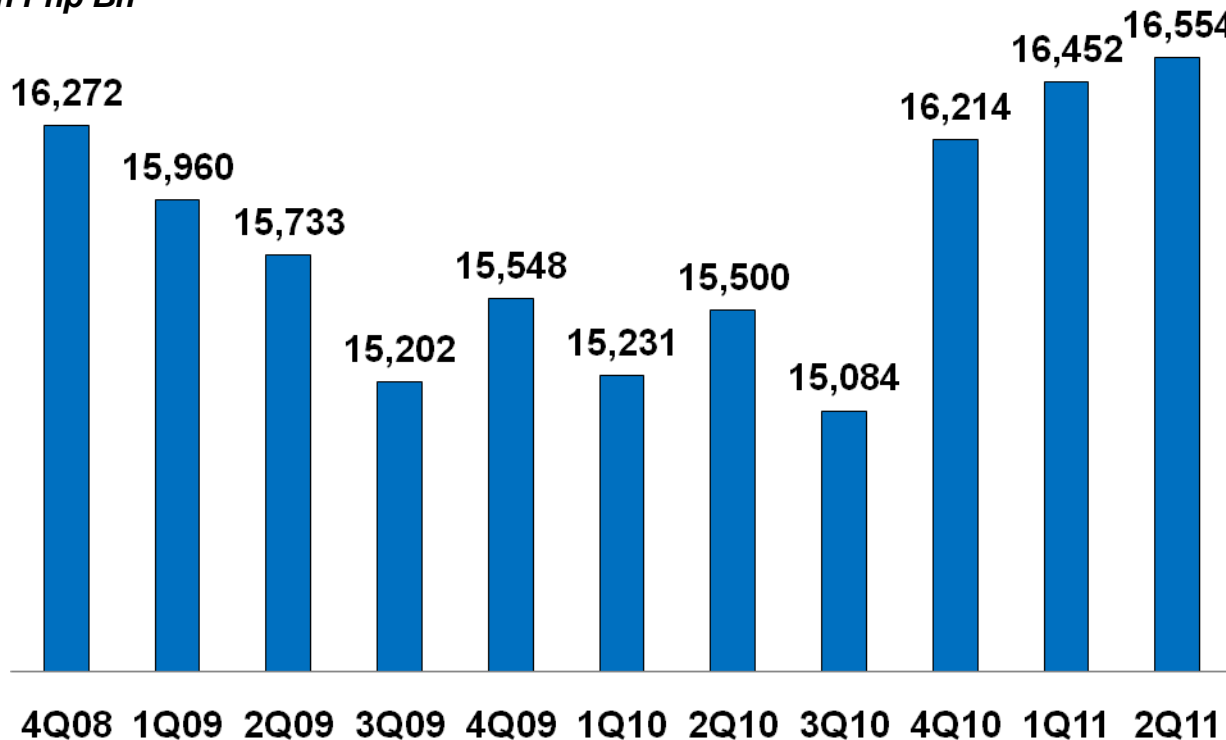
- Total resources grew by 11% as deposits expanded by 9%
- Net loans rose by 16% with all market segments posting double-digit growth:
 - Middle Market up 24%,
 - SMEs up 20%,
 - Top Tier corporates up 15%
 - Consumer up 13%
- Continued improvement in NPL and steady cost-to-income ratios
- Return on Equity trending within target at 15.3%

Four consecutive quarters of consistent growth in revenues



QUARTERLY CONSOLIDATED REVENUES

In Php Bn



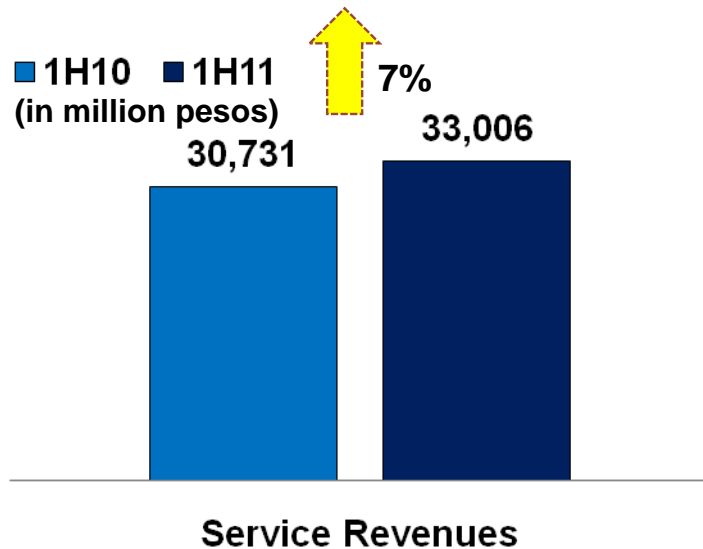
- Recovery sustained in 2Q11 with quarterly consolidated revenues reaching a new high

4Q10 service revenues were normalized to exclude a one-time upward adjustment of P526 million representing prepaid load credits that have either expired or have already been used up.



Globe

Revenue growth driven by sustained recovery in mobile and double-digit growth in broadband



YoY Growth in Service Revenues by Product	
Mobile	+ 5%
Fixed Line Data	+ 9%
Fixed Line Voice	- 9%
Broadband	+ 42%

MOBILE BUSINESS:

- Quarterly net adds of 1.11M was the highest in three years
- Subscriber base up year-on-year across all brands
 - Globe Postpaid up 38%
 - Globe Prepaid up 12%
 - TM up 18%
- Blended churn rate lower (5.7%)

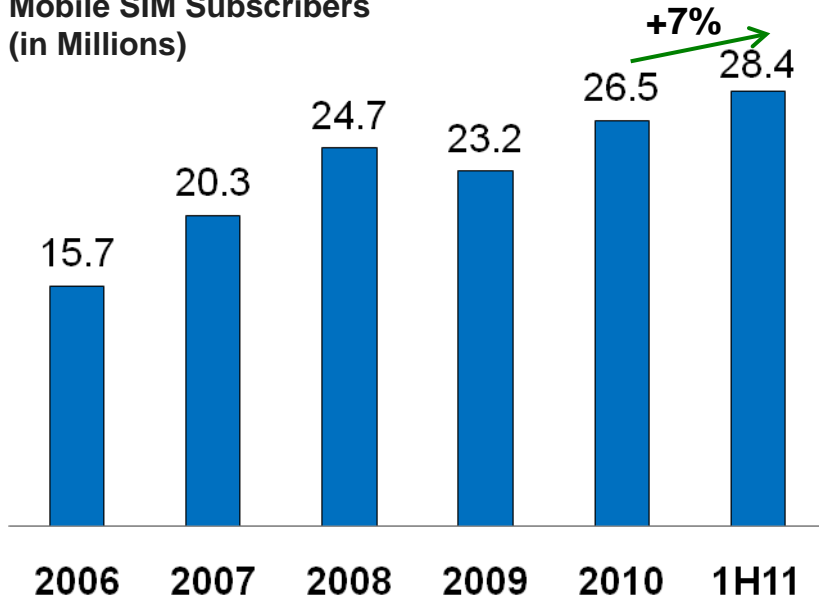
BROADBAND BUSINESS:

- Quarterly net adds of 113k subscribers
- Subscriber base up 39% year-on-year
 - Wireless subs up 47%
 - Wired subs up 16%
- Churn rate declining consistently (3.8%)

Building momentum in mobile and broadband through innovative service offerings

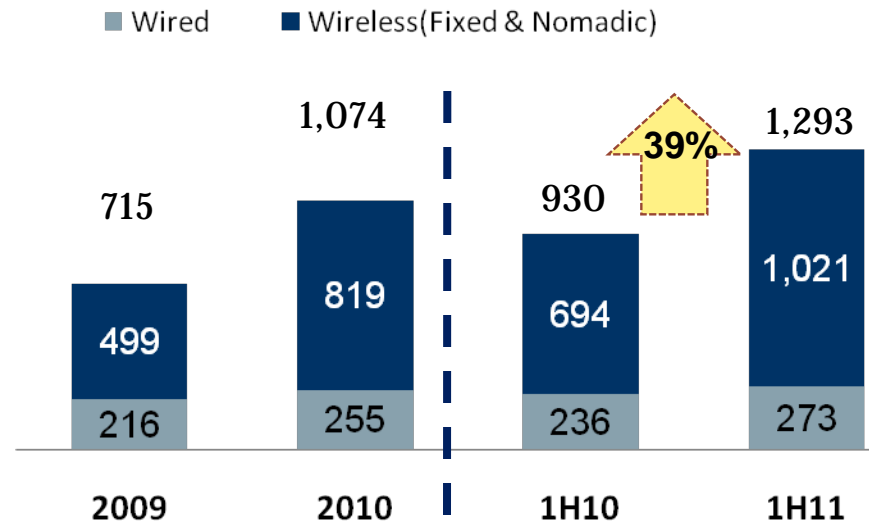


Mobile SIM Subscribers
(in Millions)



- 7% YTD growth in mobile subscribers
- Building momentum through innovative service offerings (i.e. Globe My SuperCIRCLE Plan, SUPERUNLIALLTXT and UXTALL, TM Browsing)

Broadband Subscribers
(in '000)



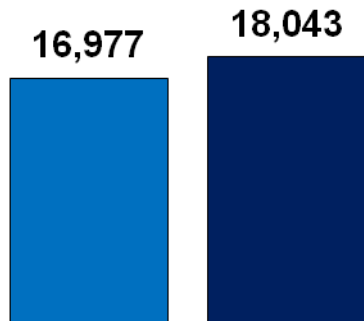
- Building scale through Nomadic and @Home Broadband Services (i.e. Tattoo & Tattoo DSL)

Solid improvements in earnings and profitability



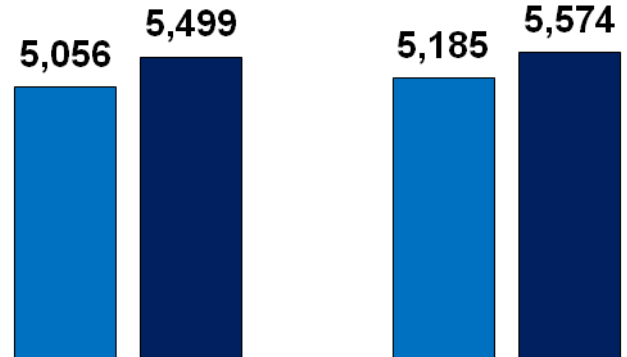
In million pesos

■ 1H10 ■ 1H11



EBITDA

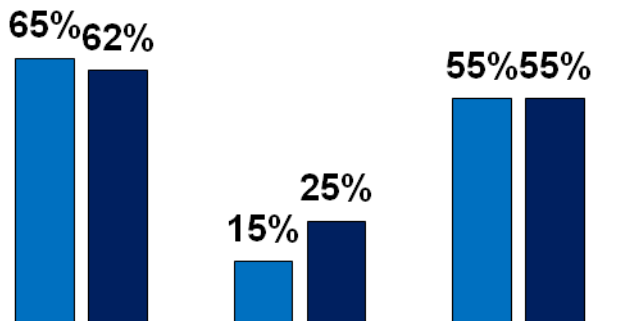
In million pesos



Net Income

Core Net Income

EBITDA Margins



Mobile

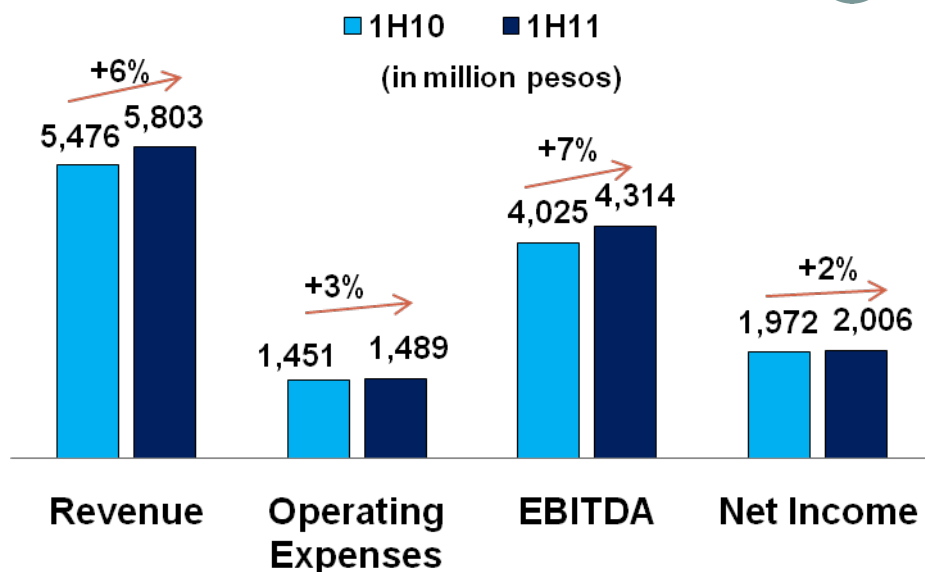
Fixed Line & Broadband

Consolidated

- Margins remain strong supported by robust growth of fixed line & broadband business and steady earnings from mobile
- Net income growth of 9% year-on-year
- Core net income (excluding forex, mark-to-market gains and losses and non-recurring items) up 8%



Steady growth in revenues and earnings with continued improvement in operating efficiencies



- Revenues grew by 6% driven by 5% increase in tariff, modest growth in billed volume and contribution from Laguna and Boracay concessions.

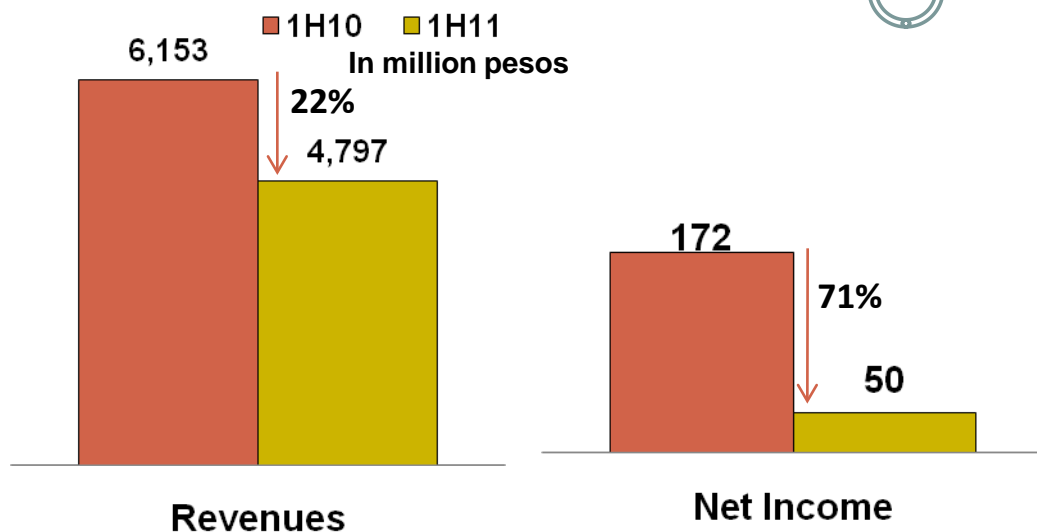
- Operating expenses up 3% resulting in 7% increase in EBITDA; EBITDA margin steady at 74%

- Net income up 2% reflecting mark-to-market loss on the bond and higher financing charges

- Excluding mark-to-market loss and financing charges, core net income up 9% year-on-year

Operating Metrics	1H10	1H11	Change
Billed Volume (mcm)	206.2	207.5	+0.6%
Service Connections (in '000)	822.1	836.3	+ 5.0%
NRW (East Zone)	13.5%	11.5%	(2.0)
Effective Tariff (p/cu.m.)	25.15	26.51	+ 5.0%

Ayala dealerships maintain network leadership nationwide



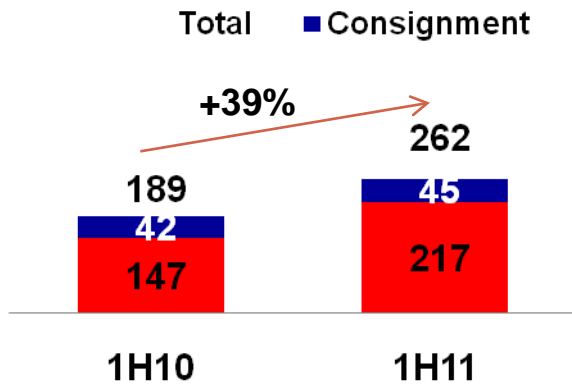
- Revenues declined by 22% due to lower vehicle unit sales as a result of supply disruptions in Japan
- Total auto industry sales down 1% year-on-year.
- Ayala dealerships maintained leadership (46% share of Honda and 32% share of Isuzu network sales).
- Lower sales and share in net loss of HCPI resulted in 71% decline in net income

Ayala Unit Sales	1H10	1H11	% Change
Honda	4,607	3,243	-30%
Isuzu	1,638	1,482	-10%
TOTAL	6,245	4,725	-24%

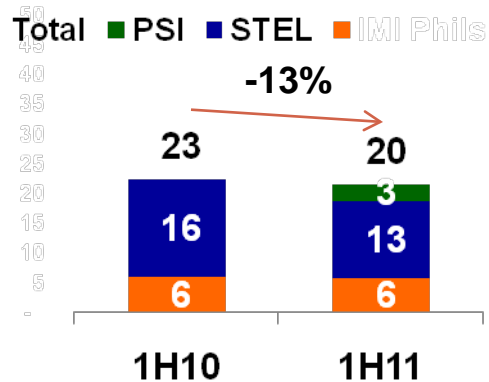
Strong revenue growth tempered by higher direct costs

(in US\$M)

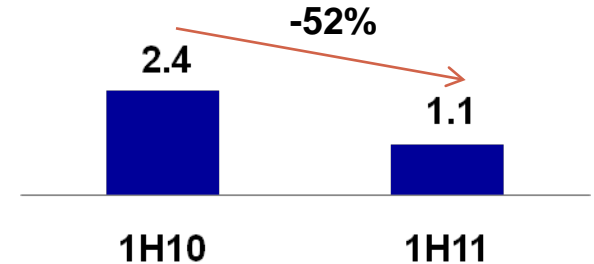
Revenues



Gross Profit



Net Income Excluding One-Offs



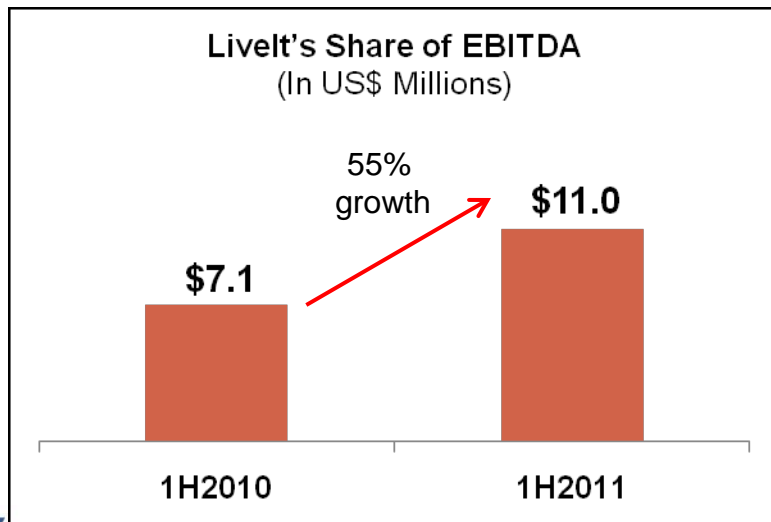
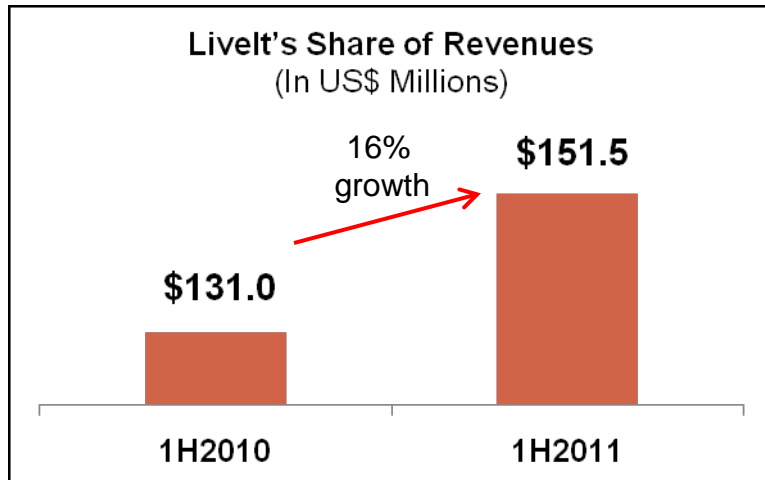
- Sales of \$262.5M up 39% year-on-year, inclusive of PSI business
 - China operations grew by 23% mainly driven by new turnkey models replacing the consignment businesses
 - IMI Phils up 6% vs last year, driven by SUV businesses, Assa Abloy & Bosch

- Higher direct labor cost brought down GP ratio to 8%

- Net Income of \$1.1M was 52% below last year excluding one-offs in 2010. Net income in 1H10 including one-offs was \$4.7M



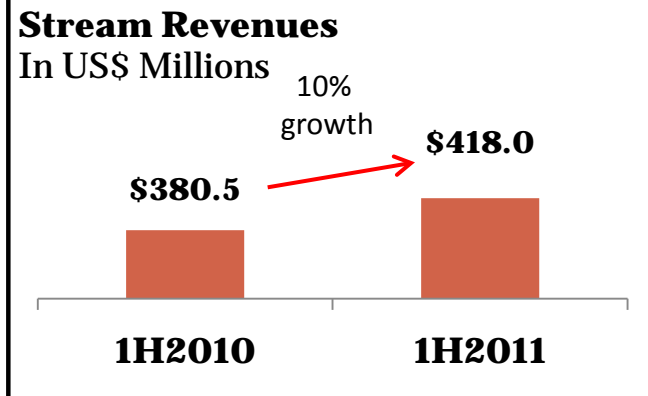
Continued ramp-up in BPO revenues and EBITDA



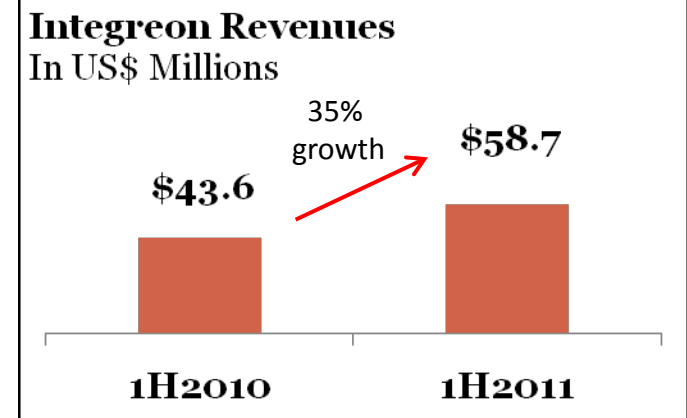
1H2011 versus 1H2010

- In the first half of 2011, Livelt's share of combined BPO revenues grew by 16% due to growth in client volumes across all investee companies.
- Livelt's share of combined EBITDA also improved by 55% to US\$11 million as a result of greater scale and cost efficiencies across all investee companies.

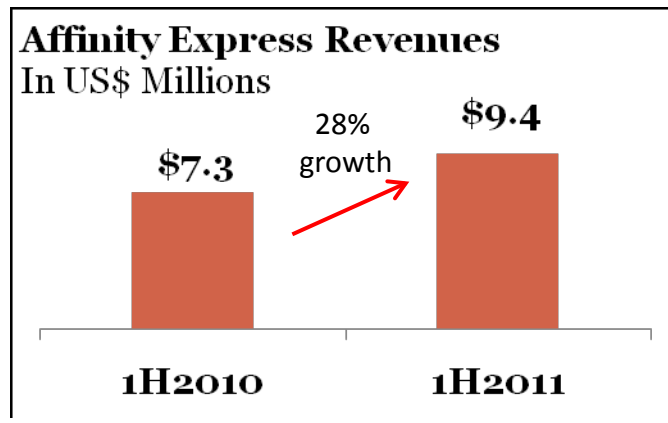
Achieved revenue growth and improved EBITDA margins across all investee companies



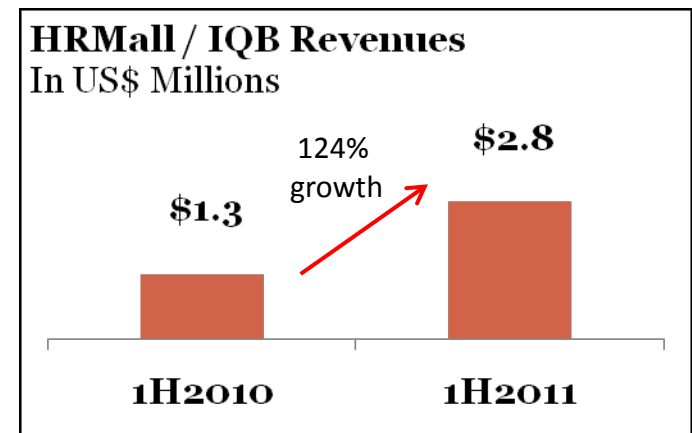
Revenues up due to new program wins generating \$80M at full run rate



Revenues increased due to growth from all business units



Revenues increased due to growth in Multimedia, Marcomm

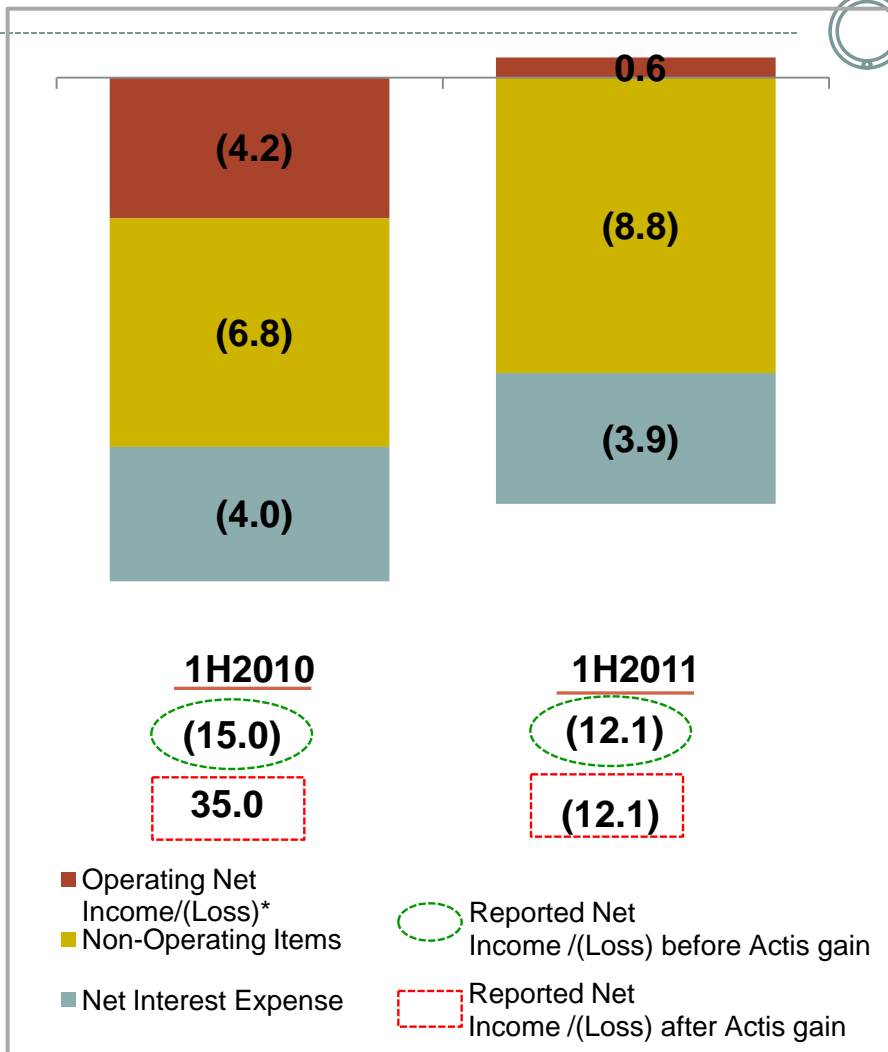


Revenues increased largely due to the acquisition of IQBackOffice

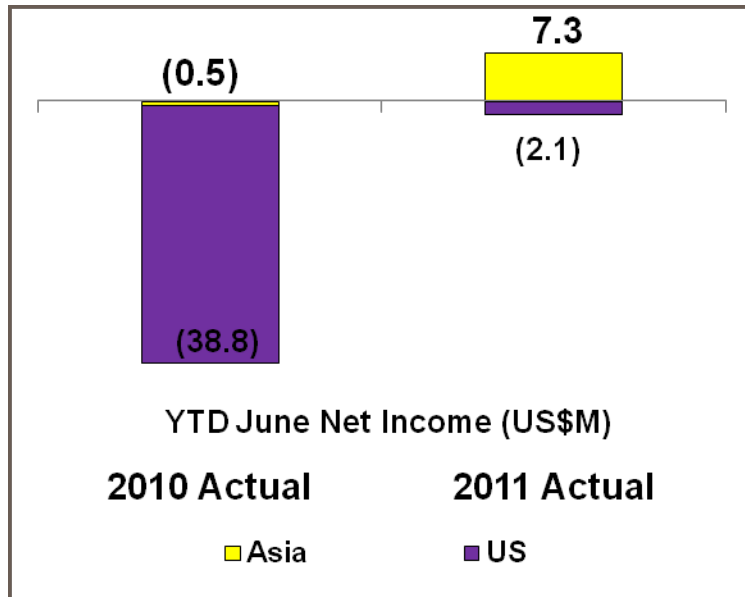
Achieved positive Operating Net Income

1H11 versus 1H10

- Operating Net Income of \$0.6M in 1H11 vs an Operating Net Loss of \$4.2M in 1H10 due to revenue growth and cost efficiencies at all investee companies.
- Non-Operating Items are comprised largely of non-cash charges (e.g. amortization of intangibles related to Stream's and Integreon's acquisitions).
- Interest expense is largely related to the leveraged buy-out of Stream.
- Reported Net Loss before extraordinary gains was \$12.1M in 1H11 vs. \$15M in 1H10.
- A revaluation gain of \$50M was recognized in Q2 2010 as a result of the investment in Integreon by Actis
- Revenues, EBITDA, and Operating Net Income are expected to continue to improve in 2H2011.



Streamlined operations resulting in improved earnings performance



NET ASSET VALUE (in USD million)	Value as of 12-31-10	Value as of 06-30-11
Asia	98.1	123.8
USA	30.7	29.9
Net Other Assets/ (Liabilities)	(37.9)	(50.5)
TOTAL	90.9	103.2

- Net income of \$5.2m is a turn around from last year's \$39.3m loss due to:
 - Net gain from the ARCH/TRG exchange of ownership
 - Substantially lower loss from U.S. operations
 - 2010 loss included write offs of certain US assets and restructuring costs
- Asian operations significantly improved as a result of the restructuring



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12 AUGUST 2011