



## Presentation to Investors as of 11 May 2018



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# Philippines : strong macroeconomic fundamentals

## Young workforce with rising incomes

Strong GDP Growth <b>6.7%</b>	Per Capita GDP <b>USD2,987</b>	Median Age <b>23</b>
Consumption Driven <b>68.7% of GDP</b>	Per Capita GNI <b>USD3,590</b>	Population <b>105M</b> +1.6% p.a.

## Inflation and interest rate environment

- Avg. Inflation rate: **4.2%** (Jan-Feb 2018)
- Avg. lending rate: **5.5%** (Jan-Feb 2018)

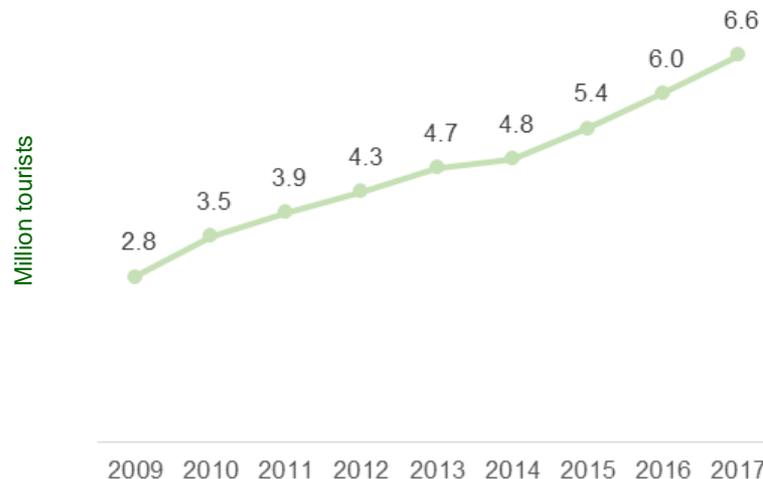
## Healthy fiscal and monetary system

- Debt/GDP: **42.1%**
- CAR: **15.7%**
- NPLs: **1.3%**

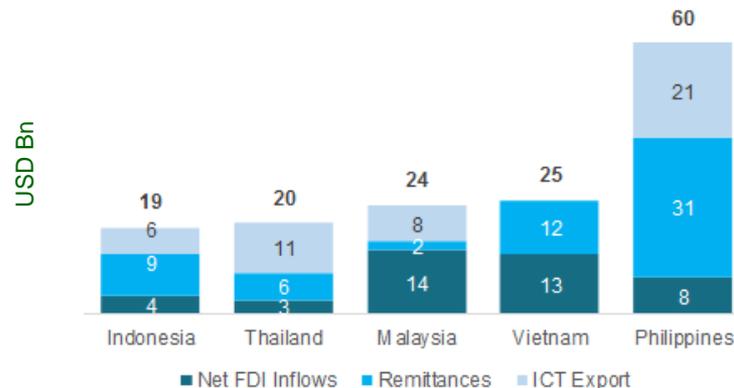
Current Credit Ratings	
S&P	BBB Stable
Moody's	Baa2 Positive
Fitch	BBB Positive

Source: BSP Selected Economic and Financial Indicators  
Release as of Mar 28, 2018

## Tourist arrivals



## Foreign direct investments



# About Belle Corporation

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**Belle Corporation (Belle) is a developer of tourism and leisure destinations in the Philippines. It is uniquely positioned to capture the high growth of premium leisure travel in the country.**

Established developer of premium destinations

- City of Dreams Manila entertainment complex
- Tagaytay Highlands residential and mixed-use mountain resort

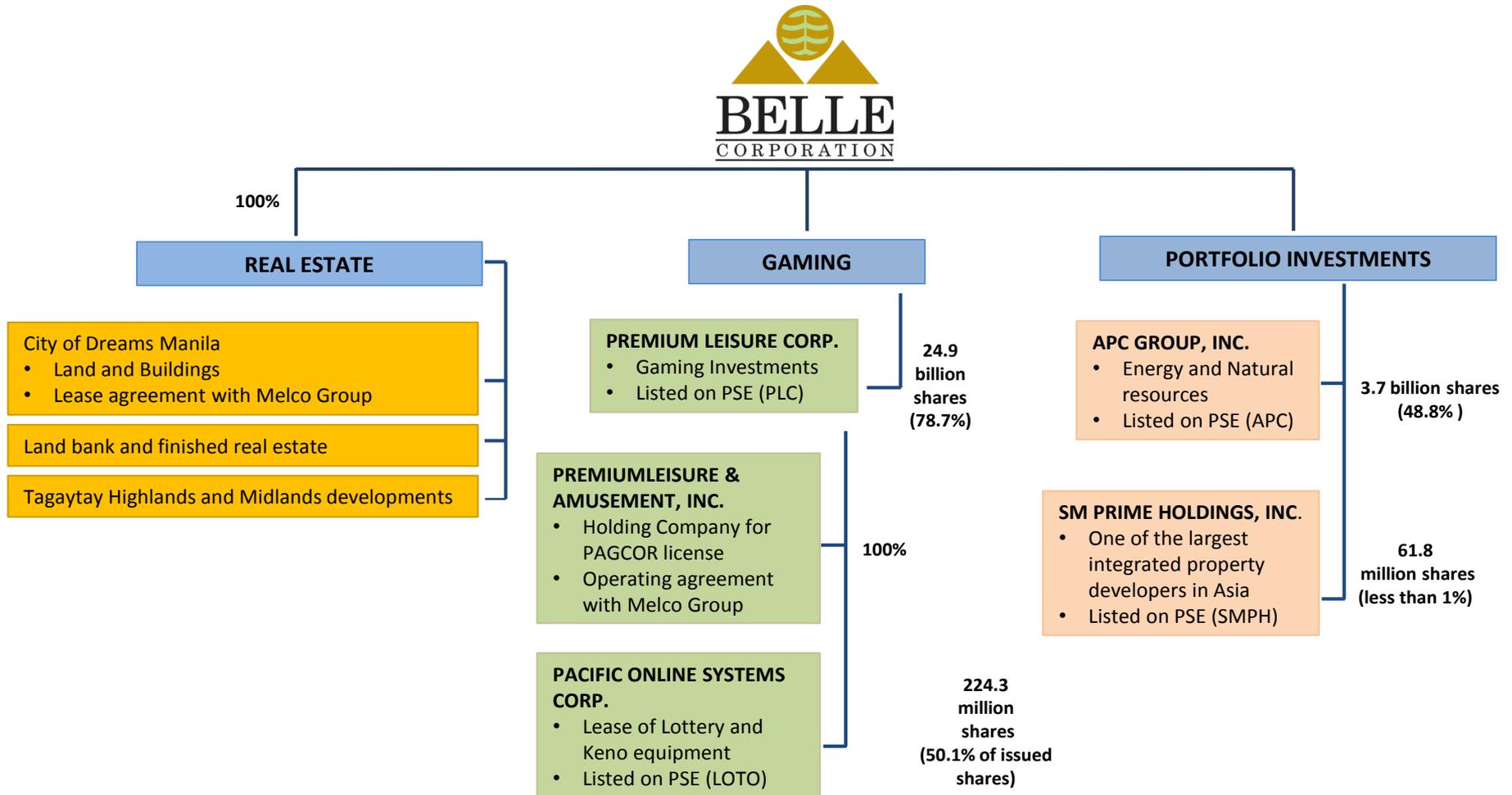
Unique exposure to the growing Philippine gaming sector

- Guaranteed share of gaming earnings of City of Dreams Manila
- Reliable dividends from Pacific Online, provider of Lottery and Keno equipment to Philippine Charity Sweepstakes Office

Well-positioned for emerging tourism sector growth opportunities

- Synergies with the SM group
- Strong balance sheet and access to capital

# Our Corporate Structure



# Our principal assets

## Tagaytay Highlands



- 24 year history of luxury mountain resort living
- Taal Lake and Mount Makiling views for signature golf courses, themed residential communities and first class condominiums
- World class amenities for sports and nature enthusiasts

## City of Dreams Manila



- Has a unique mix of gaming, entertainment, shopping and family-oriented activities
- Offers multi-awarded contemporary and lifestyle-focused hotel brands in its NÜWA, Nobu and Hyatt hotels
- Winner of the prestigious Casino / Integrated Resort of the Year at the 8<sup>th</sup> International Gaming Awards (2015)

# Tagaytay Highlands : history of luxury resort living



2017 Best Leisure  
Development



2017 Best Residential  
Development  
Resort Category



Biodiversity  
Award



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# City of Dreams Manila : multi-awarded integrated resort



**2015 Best Casino  
Integrated Resort**

**NUWA**



**HYATT  
CITY OF  
DREAMS  
MANILA**



**NOBU HOTEL**  
CITY OF DREAMS MANILA



**Best Lobby Design  
Global category**

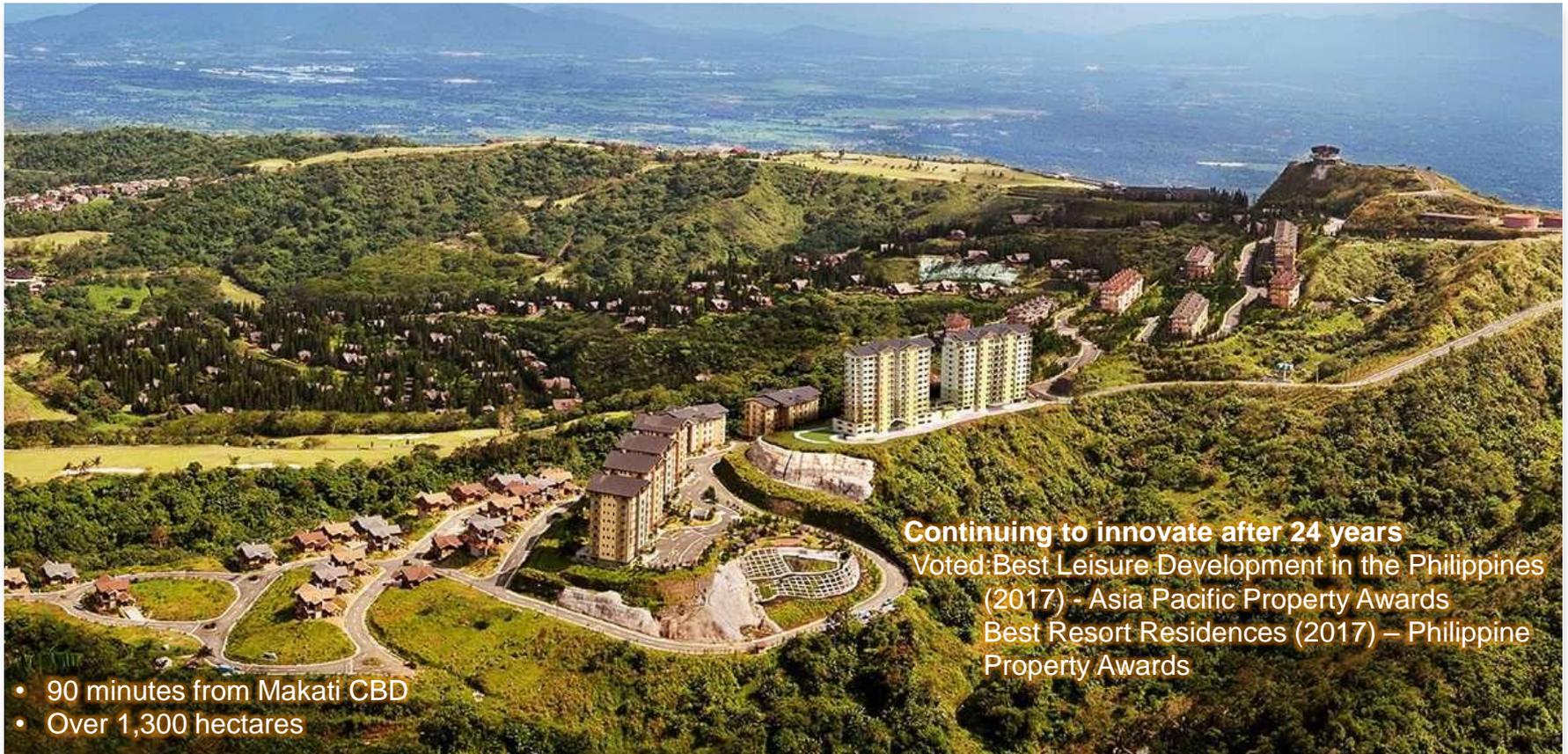


**Best Hotel over 200  
Rooms in Asia Pacific**



# Historical success as developer of leisure destinations

Belle has been developing premier lifestyle destinations for more than 20 years. Belle is best known for Tagaytay Highlands, a complex of exclusive, themed residential communities complemented by two world class golf courses, a selection of restaurants and a range of leisure activities, set amidst the unique views of Taal Lake and surrounding mountains.



**Continuing to innovate after 24 years**  
Voted: Best Leisure Development in the Philippines  
(2017) - Asia Pacific Property Awards  
Best Resort Residences (2017) – Philippine  
Property Awards

- 90 minutes from Makati CBD
- Over 1,300 hectares

# Tagaytay Highlands Complex: defining mountain resort living

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**Luxury living:** log cabins, lots, condominiums

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**The Highlands** (360 ha). 2,000 – 2,500 ft above sea level. Has 360-degree views, cool climate and proximity to club amenities

**The Midlands** (670 ha). 1,000 – 1,500 ft above sea level. Bird sanctuary with themed enclaves inspired by architecture and culture from different countries

**Greenlands** (260 ha). 400 – 920 ft above sea level. Forest features are maintained as residential communities are developed to preserve the natural habitat of floral and fauna as much as possible

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**Amenities:** in keeping with the mountain surroundings

- championship golf courses
  - club, spa and lodge
  - restaurant venues
  - multiple sports venues
  - facilities for outdoor activities
  - swimming pools
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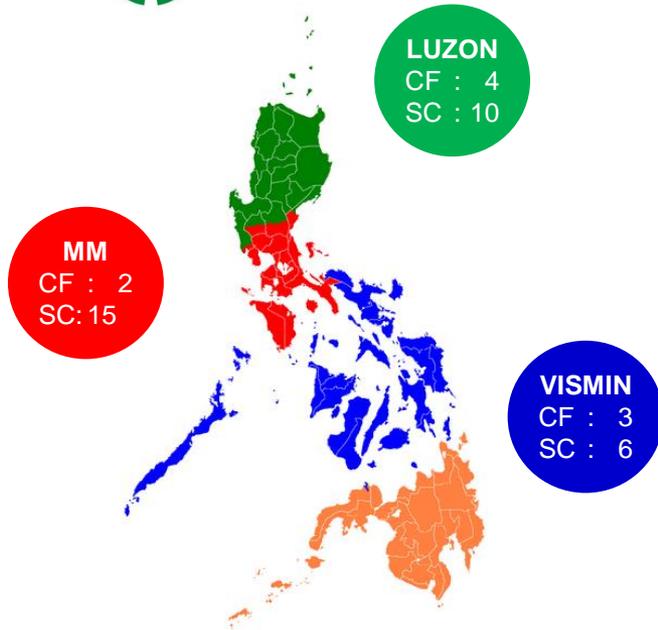
# The Philippine gaming industry

## Regulator : Philippine Amusement & Gaming Corporation (PAGCOR)

- Since 1976, PAGCOR has been overseeing games of chance, particularly casino gambling
- Revenues generated augment the Government's budget for socio-civic work and national development programs
- In 2008, the Government opened the Philippine gaming market, removing PAGCOR's monopoly



operated casinos



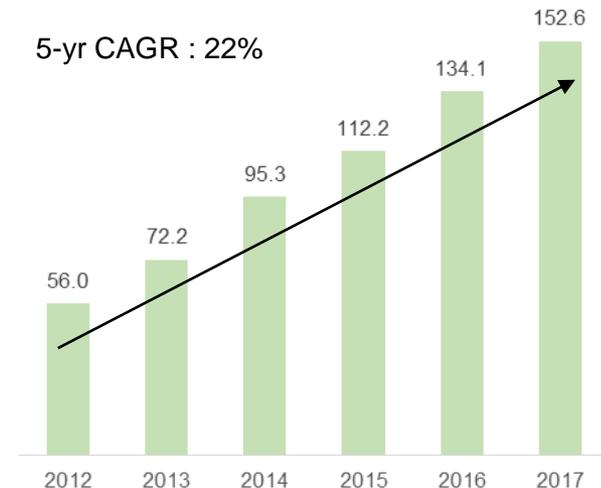
9 Casino Filipino (CF); 31 Satellite casinos (SC)

Source: PAGCOR

## Rise of integrated resorts

- Since 2008, 5 integrated resort projects have been approved for development, 4 in Entertainment City
  - Resorts World Manila
  - Solaire Resort & Casino
  - City of Dreams Manila
  - Okada Manila
  - Resorts World Westside City
- In 2012, Philippine casino gross gaming revenue was Php56B. In 2017, it reached Php152.6B\*

## Philippine casino gross gaming revenues (Php B)



\* Figure excludes revenue from electronic gaming.

Source: PAGCOR, Credit Suisse

# Integrated resorts : driving growth

- In 2017, integrated resorts accounted for 72% of casino GGR

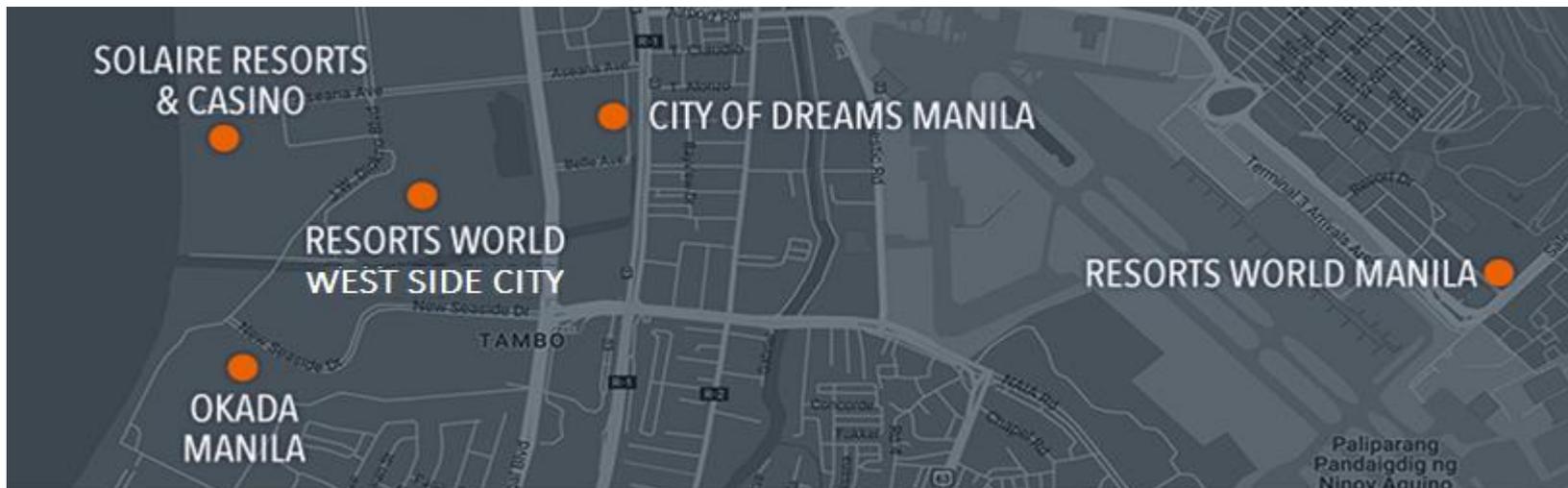
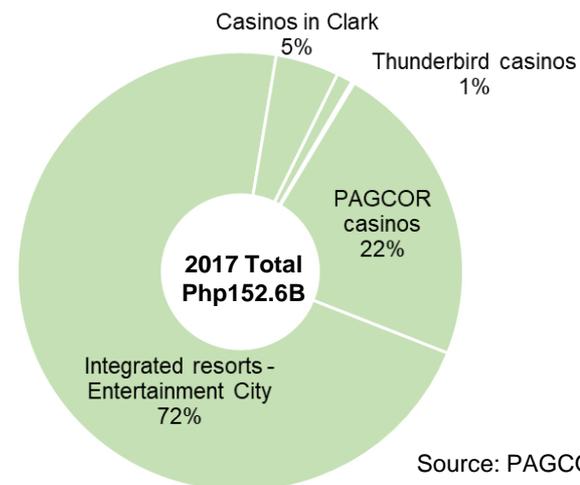


Image from Rappler.com

Integrated Resorts	Year Opened	Tables	E-game Machines
Resorts World Manila	2009	244	1,381
Solaire Resort & Casino	2013	390	1,926
<b>City of Deams Manila</b>	<b>2014</b>	<b>286</b>	<b>1,781</b>
Okada Manila	2017	327	2,914

Source: Company Information, Credit Suisse estimates and PAGCOR

## 2017 Philippine casino gaming revenues by category



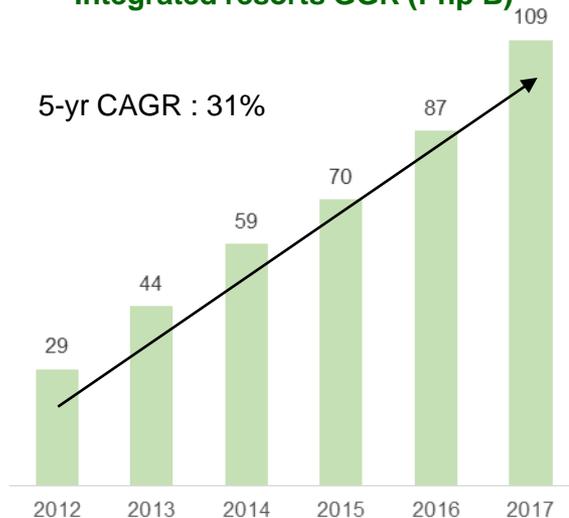
Source: PAGCOR

# Gaming : a growth opportunity

Philippine gaming is on a growth trajectory with integrated resorts leading the way.



Integrated resorts GGR (Php B)



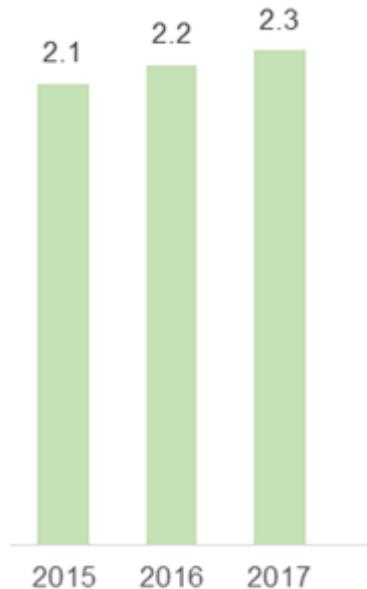
Source: PAGCOR, Credit Suisse

## Growth drivers :

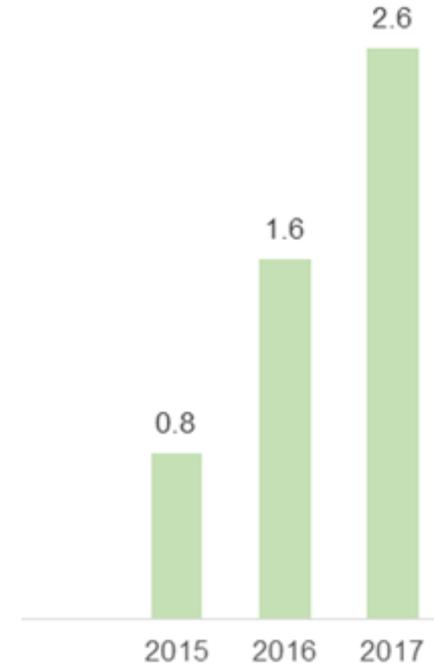
- Tourist arrivals
- Travel documentation requirements for VIPs
- VIP experience compared to other regional casinos
- Targeted marketing efforts aimed at local clientele
- Enhanced family-based entertainment propositions

# Belle : unique exposure to gaming sector

## City of Dreams lease (Php B)



## Gaming revenue share (Php B)



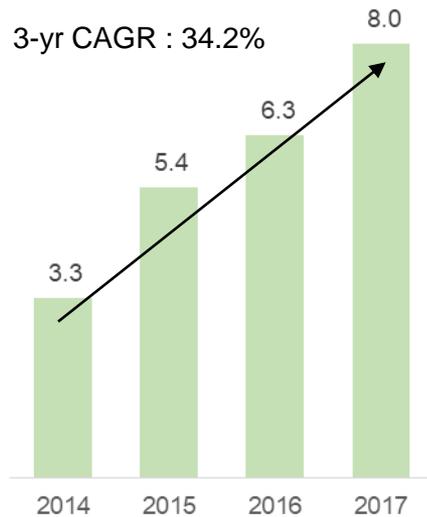
- **Guaranteed annuity income from lease (land and building)**

## Through PLC

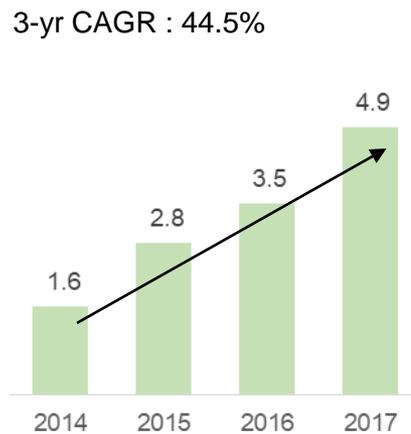
- **Upside from share in the gaming earnings of City of Dreams Manila**
- **Financially efficient arrangement: zero operating costs**

# Track record of delivering shareholder value

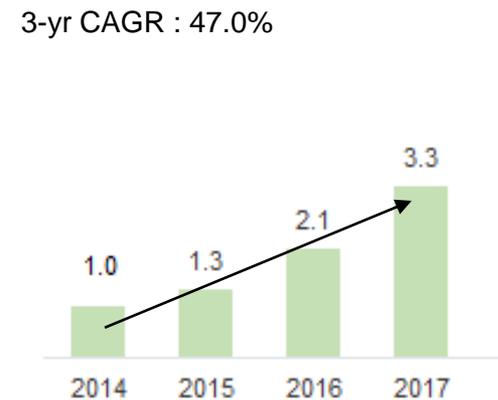
## Revenue (Php B)



## EBITDA (Php B)



## Recurring Net Income (Php B)



# Financials

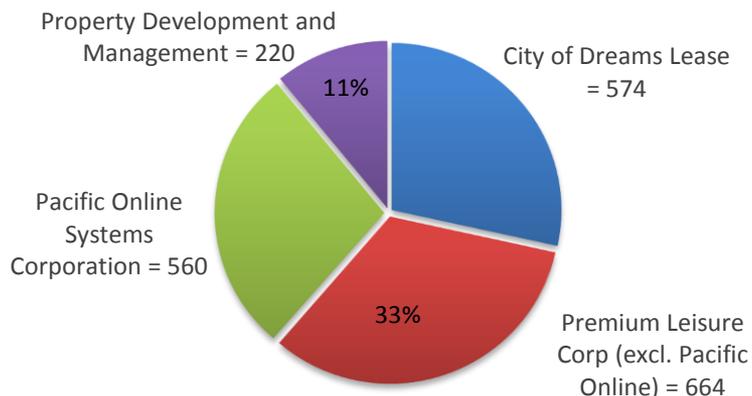
(Amounts in Php millions  
except percentages)

	First Quarter		FULL YEAR		
	2018	2017	2017	2016	2015
<b>CONSOLIDATED</b>					
REVENUE	2,018	1,987	8,012	6,322	5,352
EBITDA	1,185	1,082	4,931	3,531	2,810
EBIT	1,084	998	4,549	3,167	2,379
Net income	857	783	3,511	3,096	1,772
Recurring net income	888	760	3,288	2,076	1,334
Belle dividend payments:					
Regular	1,267	1,003	1,003	1,003	1,003
Special	-	-	-	-	1,900
ROE	11.4%	11.2%	12.1%	11.7%	6.8%
<b>City of Dreams Lease</b>					
Revenue	574	559	2,260	2,194	2,108
EBITDA	502	389	1,926	1,465	1,258
Net Income	282	213	945	602	595
<b>Premium Leisure Corp. (excl. Pacific Online and intercompany dividends)</b>					
Revenue	664	722	2,609	1,643	756
EBITDA	474	439	1,893	1,187	640
Net Income	401	373	1,599	753	266
<b>Pacific Online Systems Corporation (excl. intercompany dividends)</b>					
Revenue	560	540	2,320	1,888	1,718
EBITDA	186	230	879	769	623
Net Income	140	144	493	392	323
<b>Property Development and Management (excl. mark to market gains on club shares)</b>					
Revenue	220	166	823	596	590
EBITDA	69	62	333	257	235
Net Income	34	30	221	149	68

# Financials

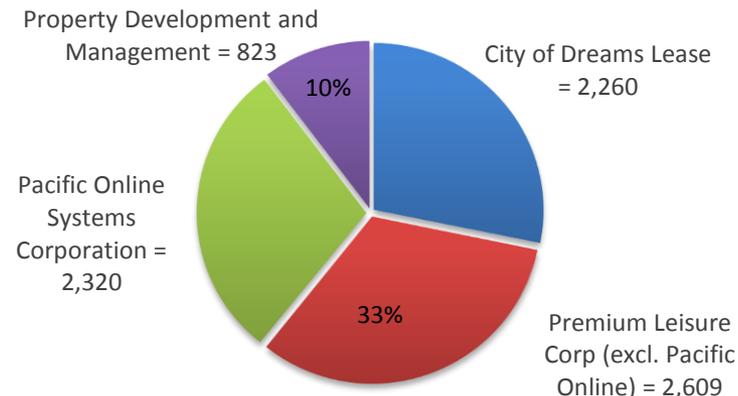
## Revenue Mix First Quarter 2018

(amounts in Millions of Php, except percentages)



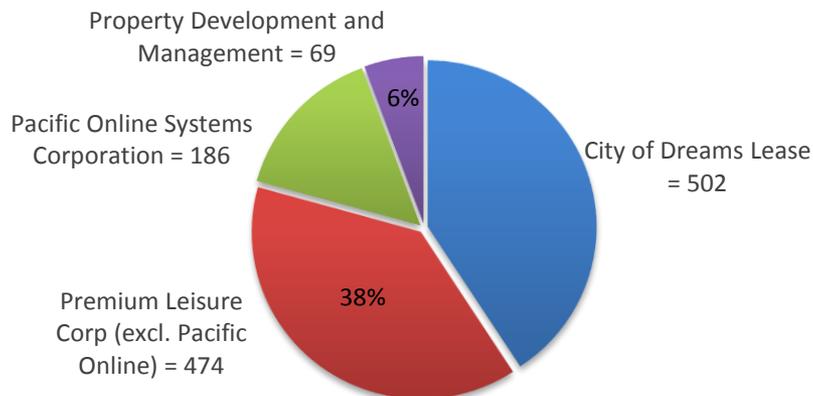
## Revenue Mix Full Year 2017

(amounts in Millions of Php, except percentages)



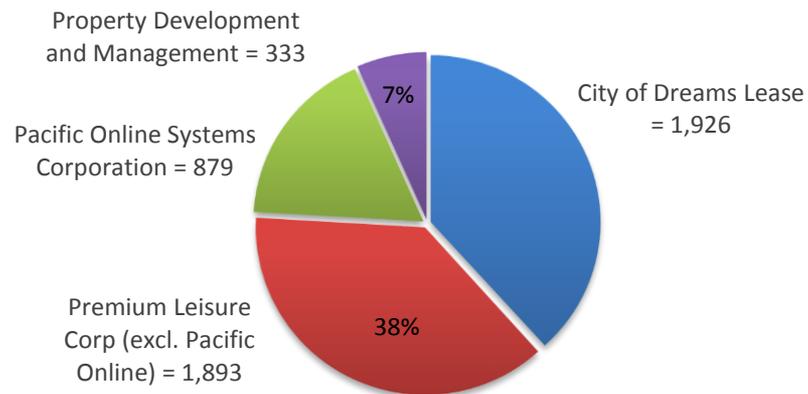
## EBITDA Mix First Quarter 2018

(amounts in Millions of Php, except percentages)



## EBITDA Mix Full Year 2017

(amounts in Millions of Php, except percentages)



## Positioned to build on history of growth

Strong cash flow from operations and prudent balance sheet management enable predictable dividends

Declaration Date	Payment Date	Amount		Stock price on Declaration Date (₱/ share)	Dividend Yield
		₱ millions	₱/ share		
23 Feb 2018 (Regular Dividend)	23 Mar 2018	1,267	0.12	3.66	3.28%
28 Feb 2017 (Regular Dividend)	30 Mar 2017	1,003	0.095	3.42	2.78%
29 Feb 2016 (Regular Dividend)	29 Mar 2016	1,003	0.095	3.08	3.08%
31 Jul 2015 (Regular Dividend)	28 Aug 2015	1,003	0.095	3.70	2.57%
27 Jan 2015 (Special Dividend)	9 Mar 2015	1,900	0.180	4.50	4.00%

## For more information

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Bloomberg Ticker	BEL:PM
Reuters Ticker	BEL:PS

### Disclaimer

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