



25 October 2013

**THE PHILIPPINE STOCK EXCHANGE, INC.**

Philippine Stock Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City, 1226 Philippines

**Attention : JANET A. ENCARNACION**  
Head, Disclosure Department

**Subject : CRISP assigns 'AA+' issuer rating on Rockwell Land Corporation; Positive Outlook (by CRISP, Credit Rating Investors' Services Philippines)**

---

Dear Madam,

In connection with our proposed issuance of up to Php 5.0 billion of 7 year and 1 quarter peso-denominated fixed rate retail bond in November 2013, we are submitting for your reference the write-up released by CRISP to the media on Rockwell's credit rating.

CRISP assigned a 'AA+' rating with a 'Positive Outlook'.

We hope you find the above in order.

Very truly yours,

**Ellen V. Almodiel**  
Vice-President for Finance  
And Chief Finance Officer



---

**For Media Release:**

**CRISP assigns 'AA+' issuer rating on Rockwell Land Corporation; Positive Outlook**

**October 22, 2013** - The Credit Rating and Investors Services Philippines Inc. announced today that it has assigned a 'AA+' issuer rating on Rockwell Land Corporation with a '**Positive Outlook**' as it offers to the public its 7¼ year, fixed rate, unsecured P5 billion bonds.

The 'AA+' rating represents CRISP's credit rating opinion on a borrower's very strong capacity to repay debt with a low probability of default and a high recovery rate in a worst case scenario.

**RATING RATIONALE**

CRISP believes that Rockwell Land has established an esteemed reputation through its innovative and widely acknowledged world-class commercial and residential projects that cater to the high-end and the upper-middle segments of the real property market.

CRISP's 'AA+' rating assignment is underpinned by a combination of Rockwell Land's very strong presence in the top segments of the property development market, impressive income growth, and prudent fiscal management policy.

***A very strong niche market player***

CRISP believes that Rockwell Land management's deliberate strategy to focus in the high end and upper middle segments of the market has provided the company an improved leverage in the competitive property development market. This move is marked by Rockwell Land's success in establishing Rockwell Center as an upscale mixed-use community that now includes seven residential condominium towers, two office buildings, a graduate school, and a shopping mall.

Based on an independent survey, Rockwell Center commands the highest capital value in the country at P133,000 per sq. m. and is expected to improve by 8% in the next 12 months.

Rockwell Land keeps an impressive mix of residents with a 45% local and 55% foreign residents.

Upon the targeted completion of the Proscenium by 2018, a flagship project designed by a world renowned architect of L' Opera de la Bastille fame in Paris, Rockwell Land is expected to strengthen its hold on the high end property market.

***Strong financial performance***

Rockwell Land's strong financial performance during the last five years is marked by an annual net income growth averaging close to 20% during the period beginning 2008.

This year, the company's net income growth year-on-year is expected to increase by 22%. Annually, the company's EBITDA has grown by 19% over the last three years. Its consolidated revenues for the first half of 2013 grew by 26% to P3.2 billion.

CRISP believes that Rockwell Land's ability to command premium rates has, in turn, resulted in its ability to generate strong income.

***Prudent fiscal management policy***

Rockwell Land's prudent fiscal management policy steered the company towards strong financial stability and secured a firm hold on its intended market segment. Despite massive disruptions on global markets caused by the recent subprime crisis, Rockwell Land managed to defend its revenue growth and has even initiated a sustained growth trend on its consolidated revenues averaging close to 15% beginning during the period beginning 2008.

Such prudence and fiscal discipline provides comfort that Rockwell Land will be able to sustain its market position and sound financial health as it ventures into a broader market and new market territories.

**OUTLOOK: Positive**

CRISP assigns a positive outlook to signify its confidence that Rockwell Land's focused growth strategy will result in stronger financial outcomes, increased market share and a more diversified market presence. This outlook is premised on stable interest rate, robust overseas remittance trends and calm overall political environment.

**CRISP contact:**

Noel Leyco

*Tel. No. +632-465-9368*

*Email: [ratings@crisp.com.ph](mailto:ratings@crisp.com.ph)*

*Credit Rating and Investors Services Philippines, Inc.*

*AIM Conference Center Manila*

*Benavidez corner Trasierra Streets*

*Legazpi Village Makati City 1226*

**Disclaimer:** CRISP rating is not a recommendation to buy, sell, or hold the rated instrument. CRISP ratings and outlooks are opinions based on approaches and criteria that CRISP developed from its observed trends it deemed relevant in developing its credit opinion. CRISP's rating opinion on the likelihood of timely payment of debt obligations does not constitute an audit of the rated institution and are based on information provided by the issuer or obtained by CRISP from sources it considers reliable. CRISP does not make any representation that its ratings can be used as an accurate indication of the future outcomes of entities or instruments that it rates. Ratings are revised by CRISP as it deems events or circumstances so warrant.