

8990 Holdings, Inc.

Philippine Dealing & Exchange Corp.
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6766 Ayala Avenue corner Paseo de Roxas
Makati City

Attention: Ms. Vina Vanessa S. Salonga - Head - Issuer Compliance and Disclosure Department

Gentlemen: We refer to the Issuer Disclosures Operating Guidelines which requires 8990 Holdings, Inc (the "Company"), as issuer of the fixed rate bonds listed with PDEX to submit a disclosure on Material information/transaction.

Subject of the Disclosure
8990 2Q18 Net Income Triples, Brings First Half Net Profit to Record High
Background/Description of the Disclosure
8990 2Q18 Net Income Triples, Brings First Half Net Profit to Record High
8990 Holdings Inc, the country's top affordable homes developer, announced its most profitable six months results, to date. This was mainly driven by the triple digit growth seen in second quarter net income which hit Php1.38 billion from just Php469.20 million in 2Q17. This lifted 8990's bottomline for the first half of 2018 to Php2.39 billion or 95.8% higher than the Php1.22 billion registered in the same period of last year.
Strong revenue growth in the first half of the year supported bottomline growth performance. Revenues in the first six months of 2018 jumped 97.5% to Php6.0 billion from Php3.04 billion in 1H17. This is equivalent to 4,159 homes or almost double the 2,216 homes delivered in the first half of 2017.
Mass Housing contributed 59% of total revenue while Medium Rise Buildings (MRB) and High Rise Buildings (HRB) combined brought in 41%. Top revenue generators in terms of value were NCR which brought in 32% of total revenues followed by Iloilo and Bacolod as new projects in the region generated 19% of the total.
According to 8990 President & CEO, Willie J. Uy, " We are thrilled to report that we were able to exceed our internal targets. This makes me even more confident that we will hit our Php11.5 billion revenue goal by the end of the year".
Unrealized sales by the end-of June 2018 was at Php709 million which the Company expects to book in the second half of 2018. Gross Profits grew 75.6% year-on-year to Php3.1 billion. However, slightly higher costs of goods resulted in a narrower margin of 52.1% from 58.6% in 1H17.
To drive the Company's profitability, 8990 management focused on increasing cost efficiencies. This pushed down

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Operating Expenses for 1H18 by 2.3% to Php723.56 million from Php740.86 million in 1H17.

This helped net income margin hit 39.8% , higher than its 2018 target of 38.0%.

“Historically, across the real estate sector, the second quarter is usually a slow period but we have seen that this is not the case for 8990 as we continue to bring something that goes beyond just mere affordability. More importantly, we deliver value for money homes to hard working Filipinos”, said Mr Uy.

8990 increased its landbank to 531.9 hectares with the addition of a 16-hectare property in Tanza, Cavite.

“As you know, it is not important that we hit our targets, but it is even more important for us to keep 8990’s growth sustainable. Our landbank of 532 hectares is good for the next 8 to 10 years and we believe this can bring in as much as Php156 billion in sales”, added Mr. Uy.

Publicly listed on the Philippine Stock Exchange, 8990 Holdings Inc. trades under the symbol HOUSE.

Sincerely,



Tracy Ilagan
Investor Relations officer

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