





SEC Reg. No. 152747

09 July 2013

**Philippine Stock Exchange, Inc.**  
3<sup>rd</sup> Floor, Tower One and Exchange Plaza  
Ayala Triangle, Ayala Ave., Makati City

**Attention: Ms. Janet A. Encarnacion**  
*Head, Disclosure Department*

Dear Ms. Encarnacion,

We write in response to your letter dated July 09, 2013 requesting Ayala Land Inc. ("the Company") to clarify and/or confirm the following news article entitled "ALI reconsiders P6-B Bacolod project" posted in Philstar.Com on July 09, 2013. The article reported in part that:

*Bacolod City, Philippines – After saying last year that it wants to "disengage" from the project, property giant Ayala Land Inc. said it is still interested to proceed with its P6-billion Capitol Civic Center on the 7.7-hectare prime property of the Negros Occidental provincial government located in Bacolod.*

*ALI said that it is willing to proceed with the Capitol project if the court case on the said property filed by rival bidder SM Prime Holdings Inc. is "resolved with finality in favor of the province."*

*In a letter to Negros Occidental Gov. Alfredo Maranon Jr. dated July 3, ALI senior vice president Emilio Tumbocon said: "Please trust that your steadfast support and advancement for our transaction, notwithstanding the challenges, weigh in greatly in our consideration of our position and assessment of our plans."*

*"While we are open to proceed with the Capitol project, we remain seriously concerned with the pending legal case as this compromises our ability to acquire clean and undisputed legal title to the property and undertaking the full development of the same, particularly that area subject of our deed of conditional sale, especially since our plans require us to develop the area into components which are intended to be marketed and sold," Tumbocon wrote further.*

*"If you are amenable to our suggestion, we are willing to sit down with you to discuss the manner by which we could proceed with the transaction," Tumbocon, also ALI's group head for Visayas-Mindanao and Superblock projects, said.*

We wish to clarify that our letter dated 3 July 2013 was in response to Gov. Maranon's letter dated 20 June 2013, informing the Company of the Commission on Audit's (COA's) decision to approve the Deed of Conditional Sale and render a favorable ruling on the Contract of Lease between the Province and Ayala Land, Inc. In our disclosure dated 17 September 2012, we reiterated that the deed of sale and contract of lease for the Bacolod property require COA approval for the transaction to proceed.

We wish to clarify also that we are now open to proceed with discussions on the Bacolod Capitol project but remain concerned with the pending legal case on the said property as this may compromise our long-term development plans for the property and the Province of Negros as a whole.

We remain confident on and look forward to the favorable resolution of the case as the Company has complied with all the bidding procedures and documentary requirements prescribed for the transaction.

Thank you very much.

Very truly yours,



**JAIME E. YSMAEL**  
Compliance Officer

**Securities and Exchange Commission**  
SEC Building, Mandaluyong City

Attention: Hon. Justina F. Callangan  
*Director, Corporation and Finance Department*

**Philippine Dealing and Exchange Corporation**  
37<sup>th</sup> Floor, Tower 1, The Enterprise Center  
6766 Ayala Ave cor. Paseo de Roxas, Makati City

Attention: Ms. Ma. Concepcion Magdaraog  
*Head, Issuer Compliance and Disclosures Department*