

01 December 2014

Philippine Stock Exchange, Inc.

3rd Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Ave., Makati City
Attention: Ms. Janet A. Encarnacion
Head, Disclosure Department

Dear Madam,

We respond to your letter this morning, seeking our clarification and/or confirmation on to the news article entitled "Ayala Land formalizes its interest anew in Parañaque reclamation" posted in BusinessWorld Online on November 30, 2014. The article reported that:

"PROPERTY GIANT Ayala Land, Inc. on Friday signified to the Parañaque City government its intention to challenge the SM group's proposal to reclaim and develop a 300-hectare area in Manila Bay for P50.19 billion, but voiced concerns similar to issues it raised on the Pasay reclamation deal that rival SM Prime Holdings, Inc. bagged last year.

In a Nov. 28 submission addressed to Parañaque Mayor Edwin L. Olivarez, Ayala Land General Counsel and Corporate Secretary Solomon M. Hermosura said the company's letter was in response to the 'invitation to submit comparative proposals' by the city government's Public-Private Partnership Selection Committee that was published in two newspapers last Nov. 23.

....

'The letter affirms our interest in the reclamation of Manila Bay [sic] under a proper framework,' Mr. Hermosura said in a text message yesterday.

...."

We wish to confirm that Ayala Land submitted on November 28, 2014 the letter to Paranaque Mayor Edwin L. Olivarez as mentioned above.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Jaime E. Ysmael', with a long, sweeping flourish extending to the right.

JAIME E. YSMAEL
Senior Vice President,
Chief Finance Officer and
Compliance Officer

Cc

Philippine Dealing and Exchange Corporation

37th Floor, Tower 1, The Enterprise Center
6766 Ayala Ave cor. Paseo de Roxas, Makati City

Attention: Ms. Vina Vanessa S. Salonga
Head, Issuer Compliance and Disclosures Department

Securities and Exchange Commission

SEC Building, Mandaluyong City

Attention: Hon. Vicente Graciano P. Felizmenio, Jr.
Director, Market Regulation Department