

18 September 2015

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 seeking our clarification and/or confirmation on the news article entitled article entitled "Ayala Land reins in land bank spending, cuts capex" posted in BusinessWorld Online on September 17, 2015. The article reported in part that:

"AYALA Land, Inc. (ALI) has cut its capital expenditure (capex) budget this year by as much as 20% from the P100 billion it initially announced, as the property giant reins in spending after making significant strides in growing its land bank in the past two years, a company official said.

On the sidelines of a forum yesterday, ALI Chief Finance Officer Jaime E. Ysmael told reporters the actual capital spending of the real estate company may only reach P80-90 billion this year.

The revised capex is still higher than the P70 billion the firm spent in 2014.

...."

We wish to clarify that Ayala Land is looking at an estimated capital expenditure of P80-90 billion from the original target of P100 billion for 2015 as part of our tighter cash management program to maintain the Company's strong balance sheet position. This entails rationalizing on our land acquisitions given the substantial growth in the land bank for the past two years and to focus more on what is required based on our current plans. All projects for launch for the rest of the year will continue as planned.

Thank you.

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