

19 January 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 "Ayala Land upbeat on 2015 prospects, looking at P10-B debt" posted in Manila Bulletin (Internet Edition) on January 15, 2015. The article reported in part that:

"Property giant Ayala Land Inc. remains confident about the local economy and is looking to take advantage of this growth by borrowing fresh funds to support its massive investment plan this year.

In an interview, ALI president Bernard Vincent Dy said 'we feel the current growth of the Philippine economy is sustainable. We're confident to continue to expand, ramp up on our projects.'

He noted that 'this is our record year for our capital expenditure (P100 billion for 2015). We will basically continue our investments not only this year but in the coming years.'

To support its capital expenditure program, Dy said ALI will be relying on a combination of cash flow generated from operations as well as some debt financing. It has just raised P16 billion from a share sale.

ALI chief financial officer Jaime Ysmael said they will be tapping the debt market but 'what we're trying to do is optimize the use of available cash. There will be some incremental borrowings, maybe not in the same magnitude as we have seen in the past.'

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Ysmael said ALI's borrowings this year will primarily be peso instruments amounting to around 10 percent of capex or P10 billion.

With the recent top up offering and planned P10 billion debt, Ysmael said the remaining P74 billion of this year's capex will be funded by a combination of available cash, cash flow from operations, as well as dividends from subsidiaries.

While they still have no definite plans for the borrowings, Ysmael said these will likely be for structured as long term debt with maturities of 5, 7, and 10 years. 'But that depends on the appetite of the market,' he added explained that 'we also want to manage the maturity so we don't have very lumpy maturities moving forward.'"

We wish to clarify that we are looking at a P100 billion capex for 2015 to support our aggressive growth trajectory as declared in our 2020 Vision. This will be supported by our recent P16 billion equity placement and a combination of cash, cash flow generated from our operations, dividends from our subsidiaries and an estimated P10 - P15 billion in borrowings. The plans on the borrowings are still being evaluated based on market conditions to ensure that we maintain a healthy balance sheet position.

Very truly yours,



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

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Philippine Dealing and Exchange Corporation

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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