



SEC Reg. No. 152747

10 June 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 news article entitled "Clark prospect lures property majors" posted in BusinessWorld Online on June 9, 2015. The article reported in part that:

"SIXTEEN companies -- including some of the biggest property developers in the country -- have shown interest in the planned re-bidding for the contract to develop Clark Green City's 288-hectare first segment following a failed auction last April.

Yesterday's pre-bid conference at the BCDA (Bases Conversion and Development Authority) Corporate Center in Bonifacio Global City was attended by representatives of Ayala Land, Inc.; Century Properties Group, Inc.; Daichi Properties, Inc.; ESCA Inc.; Federal Land, Inc.; Filinvest Land, Inc.; First Philippines Industrial Park, Inc.; Hitachi Asia Ltd.; Jones Lang LaSalle, Inc.; Megaworld Corp.; MGS Construction, Inc.; MTD Phils. Inc.; Nuevo Centro Inc.; ProdigyAE, Inc.; Rockwell Land Corp.; and Subic Bay Development & Industrial Estate Corp.

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Two of them -- Megaworld and Filinvest -- bought the terms of reference for the first tender but backed out due to BCDA's 'restrictive' requirement of a P2.5-billion up-front capital infusion, he added.

The state agency removed this requirement in the planned new auction.

It also pegged the minimum bid price at P160 million (or approximately \$3.6 million), 68% lower than the P500 million set in the April tender.

The winning bidder will form a joint venture company with BCDA with a 55%:45% ownership structure. The joint development agreement will have a period of 50 years, renewable for another 50 years.

The increase in area to be developed from 244 ha initially, scrapping of the capital infusion requirement and reduction of floor price are the main sweeteners offered in hopes of attracting bids this time.

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We wish to clarify that Ayala Land will evaluate the feasibility of the project and its possible participation in the bidding process.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Jaime E. Ysmael', with a long, sweeping horizontal stroke 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