



SEC Reg. No. 152747

18 July 2017

**Philippine Stock Exchange, Inc.**

3<sup>rd</sup> Floor, Tower One and Exchange Plaza  
Ayala Triangle, Ayala Ave., Makati City  
Attention: Mr. Jose Valeriano B. Zuño III  
OIC Head, Disclosure Department

Dear Sir,

We respond to your letter seeking our clarification and/or confirmation on the news article entitled "Ayala to offer P5b more in notes" posted in manilastandard.net on July 17, 2017. The article reported in part that:

"Property giant Ayala Land Inc. plans to raise another P3 billion to P5 billion in short dated-debts after successfully generating P4.3 billion from the issuance of the pioneering short term financial instrument.

Ayala Land chief finance officer Augusto Bengzon said in an interview at the sidelines of the listing of P4.3 billion worth of short-dated notes due 2019 the company planned to issue similar offerings as early as next month.

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Bengzon said the company because of the strong demand instructed underwriters to come up with a follow-up offering to be issued as early as next month, with the size ranging from P3 billion to P5 billion.

'This is actually more cost-effective. It's longer at 21 months versus commercial papers. The coupon is 2.75 percent versus short term loans of anywhere between 2.6 to 3.25 percent. I believe the cheapest short term loans are in the vicinity of 6 percent if you do a survey of all the banks. So Ayala Land gets very preferential short term rates, but this one is even more preferential, given that it's quite cheap,' Bengzon said.

....."

We would like to clarify that Ayala Land Inc. is currently working with its bankers on a follow-on offering for the Short Dated Notes, which will be subject to securing all requisite approvals from the regulators. Proceeds to be raised from the follow-on will be used to refinance outstanding short term loans.

Thank you.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'A. Bengzon'.

**AUGUSTO D. BENGZON**  
Vice President  
Chief Finance Officer, Treasurer,  
Chief Information Officer and Chief Compliance Officer