

**24 November 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 ““ALI to accelerate capex spending in 2018” published in the November 24-25, 2017 issue of the BusinessWorld. The article reported in part that:

“AYALA LAND, Inc. (ALI) sees capital expenditure (capex), accelerating up to P100 billion in 2018, as the property giant aims to keep up with the growing demand for residential projects in the country.

ALI Chief Finance Officer Augusto Cesar D. Bengzon said given the current pace of project developments, spending in 2018 should be larger than its P88-billion capex this year. ‘Historically we’ve not reached P100 billion. It’s possible. We’re finalizing our budgets. So we’ll see if we see that the opportunities are there,’ Mr. Bengzon told reporters after the listing ceremony of its P3.1-billion short-dated notes at Philippine Dealing and Exchange Corp. on Thursday.

Of this projected capex, the bulk will still be allotted for its residential segment, which continues to be the top contributor to revenues.

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To fund this capex, Mr. Bengzon said the company may issue bonds to raise between P15 billion to P20 billion.

The ALI executive said the company is on track to launch P90 billion worth of residential projects this year. Including its office, commercial, and hospitality segments, ALI will be ending this year with P120 billion in project launches.

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Asked whether the company is on track to hit an 18% year on year growth in earnings, Mr. Bengzon said they are ‘within striking distance.’

The ALI executive added there is usually an uptick in residential sales in the fourth quarter, due to the demand from overseas Filipino workers coming home for the holidays.

....”

We would like to inform the Exchange that Ayala Land is still in the process of determining its capital expenditure budget for 2018. The P100 billion figure mentioned in the article was a ballpark estimate, in consideration of the current pace of development and the pipeline of projects for completion next year.

Likewise, we are still in the process of finalizing our funding requirements in 2018. We estimate to raise around P15 to P20 billion from the debt capital markets next year to support our plans.

With the progress of our project launches to-date, we see that we are on track to reach P90 billion worth of residential projects launched at the end of the 2017.

Lastly, Ayala Land achieved a net income of P17.8 billion as of September 2017, 18% higher year-on-year, a strong indication that we are on track to grow the full-year bottom line at 18%.

Thank you.

Very truly yours,



**AUGUSTO D. BENGZON**

Vice President

Chief Finance Officer, Treasurer,

Chief Information Officer and Chief Compliance Officer

Cc

**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