

19 February 2018

Philippine Stock Exchange, Inc.

3rd 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 clarification/and or confirmation on the news article entitled “ALI spending record P110.8 billion this year” posted in philSTAR.net on February 16,2018. The article reported in part that:

“MANILA, Philippines — Property giant Ayala Land Inc. (ALI) has earmarked P110.8 billion for its capital expenditures this year – its largest ever – as the company remains upbeat on the local economy’s prospects and the growing property market.

. . . .

‘Our capex is significantly higher year on year, so this is going to be an all-time high. And that is an indication of the opportunities that we see in the market,’ ALI president Bernard Vincent Dy said.

Bulk or nearly half of this year’s capex is being allotted for residential projects worth P47.4 billion.

Mall development and land acquisition, meanwhile, accounts for 17 percent and 12 percent of the budget at P18.7 billion and P14 billion, respectively.

The remaining portion of the budget will go to the development of its estate developments, office buildings, and hotels and resorts.

ALI chief finance officer Augusto Bengzon said this year’s capex would be partly-funded by ‘a combination of bonds and bilateral loans.’ He said the company is looking at a P10 billion bond offer.

Following a record 2017, Bengzon expects 2018 will be a ‘landmark’ year for ALI with the planned launch of P125 billion worth of projects.

The fresh inventory will include P100 billion worth of residential and office spaces and P25 billion-worth of leasing spaces.

‘Coming into 2018, we are feeling good about our prospects. Back in 2014, we launched a 2020 plan to reach P40 billion by 2020 and we continue to be on track,’ Dy said.

‘Between 2018 to 2020, to be able to get to P40 billion we need to grow by 17 percent a year. We feel this is achievable, primarily because our country continues to grow and our macro fundamentals continue to be supportive of growth,’ he added.”

We confirm the information stated in the abovementioned article regarding Ayala Land’s capital expenditure for 2018 and its allocated breakdown, the total value of projects to be launched this 2018 and the estimated growth rate required in order to achieve our P40 billion net income target by 2020.

We however would like to clarify that the company is looking at raising between P15 to 20 billion through the debt capital market to partially fund our capital expenditure and refinance our existing debt.

Thank you.



AUGUSTO D. BENGZON

Senior Vice-President
CFO, Treasurer, Chief Compliance Officer and Chief Information Officer

Cc

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Attention: **Ms. Erika Grace C. Alulod**
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