



18 February 2019

Philippine Stock Exchange, Inc.

6th Floor, PSE Tower, 28th Street corner 5th Avenue
Bonifacio Global City, Taguig City

Attention: **Ms. Janet A. Encarnacion**
Head, Disclosure Department

Dear Madame,

We respond to your letter seeking clarification/and or confirmation on the news article entitled “Spurred by PH growth, Ayala Land set to spend record P130B” posted in Inquirer.net on February 18, 2019. The article reported in part that:

“Property giant Ayala Land Inc. has earmarked a record capital spending budget of P130 billion this year, optimistic that the domestic economy would continue to favor the property industry.

To support revenue growth in the years ahead, ALI is prepared to launch P130 billion worth of new inventory in the property market this year.

‘We are hopeful and feel very positive that the economy will continue to be supportive of the property industry and therefore allow us to continue to make progress on our 2020 plan,’ ALI president Bernard Vincent Dy said in a briefing on Friday.

. . . .

‘To achieve that, we now have to grow (net profit) by 17 percent in 2019 and 2020, a little bit lower than the last five years but hopefully, if things go well, we’ll be able to exceed that,’ Dy said.

ALI is set to top the record P110.1 billion in capital expenditures last year, of which 41 percent was spent on residential projects, 23 percent on commercial projects, 15 percent on land acquisition, 12 percent on the development of estates and 9 percent on investments.

Roughly 40 percent of the spending budget of P130 billion this year would still be for residential development while 20-25 percent would be for expanding the leasing portfolio, ALI chief financial officer Augusto Cesar Bengzon said. The balance would be for land acquisition, estate development and other projects.

. . . .

To partly fund this year’s record capital spending, Bengzon said management would seek approval from the board for another P50 billion worth of bonds for shelf registration.

. . . .”

We wish to confirm that Ayala Land, Inc. (ALI) is projecting to launch P130 billion worth of residential and office for sale projects and has earmarked P130 billion in capital expenditures for the buildup of its residential and commercial leasing projects, estate development, land acquisition, and other investments in 2019. This will be funded through a combination of internally generated funds and debt.

To support its debt funding requirements for 2019 until 2021, ALI will seek approval from its Board of Directors to file an application for a new 3-year shelf registration of debt securities of up to P50 billion with the Securities and Exchange Commission (SEC).

Thank you.



AUGUSTO D. BENGZON

Senior Vice President
CFO, Treasurer and Chief 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: **Atty. Joseph B. Evangelista**
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