

15 August 2014**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 this afternoon seeking clarification and/or confirmation on the news article "ALI adds P65b in outlay for Makati Expansion" published on Inquirer.net on August 15, 2014. The article reported in part that:

"Local property giant Ayala Land Inc. has unveiled a new phase of expansion for the Makati central business district (CBD), which will require additional P65 billion in capital outlay for the next five years.

The new phase will bring to P125 billion the additional investments Ayala Land will have poured in for the redevelopment of Makati, which currently accounts for 30 percent of its total business.

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In total, phase two of Makati redevelopment will cover 2.5 hectares of land with 250,000 to 300,000 square meters in gross floor area (GFA).

The P65-billion redevelopment will also include a new masterplan for the north tip of Ayala Triangle Gardens, which is where a 275-room five-star Mandarin Hotel will rise by 2020, Dy said. This is also where ALI would develop 80,000 sqm of "highest grade" office space alongside new dining and retail options with 132,000 sqm in GFA.

Dy stressed that only 13 percent of the open space at Ayala Triangle would be used up and most of the garden would be maintained.

Also, on the corner of Ayala Avenue and Buendia, another gateway to the CBD, dubbed the "young and creative" hub City Gate, will rise. This mixed-use development will cater to the younger set that frequents the area. The first phase of City Gate development will open up 81,000 sqm in additional GFA. A 312-room Seda hotel will also rise in the area.

A 2,600-sqm "civic space" will likewise be constructed within the City Gate area, one which will be set up vertically through a series of terraces. This will include a direct connection to Makati Commercial Estate Association's existing elevated walkway on Dela Rosa St., which will extend to Makati Medical Center. The walkway will traverse all three blocks of City Gate up to the other side of Buendia, where a pedestrian bridge will cross to the Makati Post Office side.

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We would like to confirm that the new phase of expansion for the Makati central business district (CBD) will require additional P65 billion in capital outlay for the next five years.

Thank you.

Very truly yours,

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

JAIME E. YSMAEL
Compliance Officer
Chief Finance Officer

Cc

Securities and Exchange Commission

SEC Building, Mandaluyong City

Attention: Hon. Vicente Graciano P. Felizmenio, Jr.
Director, Market Regulation Department

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