



February 13, 2017

THE PHILIPPINE STOCK EXCHANGE, INC.

3/F Tower One & Exchange Plaza

Ayala Triangle, Ayala Avenue

Makati City

Attention : **MR. JOSE VALERIANO B. ZUÑO III**
Head, Disclosure Department

Dear Mr. Zuño:

This refers to your request to clarify the news article entitled “Ayala to expand healthcare business” posted in the February 13, 2017 issue of Philstar.com. The article reported in part that:

“MANILA, Philippines – Conglomerate Ayala Corp. (AC) seeks to expand and complete its healthcare portfolio by venturing into medicine manufacturing and healthcare finance.

At present, these two segments are the only missing components in the group’s growing healthcare business.

According to AC chief finance officer Jose Teodoro Limcaoco, the healthcare industry is comprised of three segments – medicines, healthcare and healthcare finance.

The medicine component, he said, includes distribution and manufacturing. ‘We have distribution through Generika Drugstore. We are also looking into manufacturing,’ Limcaoco said.

....

‘To me the third leg that is missing is what I call healthcare finance. If you get sick who pays? You have health insurance right. But only four million Filipinos are covered by insurance out of 100 million. That’s private insurance. And then there’s Philhealth but you have to be employed to have Philhealth,’ Limcaoco said

‘We just know that there’s something missing there. So we think there’s space but we don’t know how to get into it. We’re still looking,’ he said.

....”

We wish to confirm that Ayala is examining all aspects of the healthcare space. We wish to however clarify that these are all exploratory and no deal is imminent at this time.

Very truly yours,

A handwritten signature in black ink, appearing to read 'PFB', followed by a horizontal line.

PAOLO F. BORROMEO

Group Head, Corporate Strategy and Development

Cc: SECURITIES & EXCHANGE COMMISSION
Attention: Mr. VICENTE GRACIANO P. FELIZMENIO, JR.
Director, Markets and Securities Regulation Department

PHILIPPINE DEALING & EXCHANGE CORPORATION
Attention: MS. VINA VANESSA S. SALONGA
Head, Issuer Compliance and Disclosure Department