



June 28, 2016

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 titled, "SEC approves issuance of P20-B Ayala bonds" posted in philstar.com on June 25, 2016. The article reported in part that:

"The Securities and Exchange (SEC) has given Ayala Corp. the go-signal to issue P20 billion bonds within the next three years.

According to documents filed with the SEC, Ayala Corp. would issue an initial P10 billion fixed rate bonds maturing in 2023 while the remaining P10 billion would be placed under shelf registration and ready for issuance within the next three years.

Ayala Corp. chief finance officer TG Limcaoco said the company plans to issue the bonds on July 1.

Interest rate on the seven-year bonds would range from 3.90 percent to 4.15 percent per annum, but still subject to change.

....

For the first tranche, the net proceeds of P9.9 billion would be used to refinance the company's maturing peso-denominated debt obligations.

...."

We wish to clarify that Ayala Corporation intends to issue P10 billion seven-year bonds on July 7, with an interest rate of 3.92% per annum. Net proceeds will be used to refinance the Company's impending peso-denominated debt obligations and/or obligations with early redemption options.

Very truly yours,

A handwritten signature in dark ink, appearing to be '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