



July 27, 2015

THE PHILIPPINE STOCK EXCHANGE, INC.

3/F Tower One & Exchange Plaza

Ayala Triangle, Ayala Avenue

Makati City

Attention: **MS. JANET A. ENCARNACION**

Head, Disclosure Department

Dear Ms. Encarnacion:

This refers to your request to clarify the news article titled: "Ayala, MetroPac eye PNR line" posted on The Standard (Internet Edition) on July 24, 2015. The article reported in part that:

"Conglomerate Ayala Corp. said Friday it is in talks with Metro Pacific Investments Corp. to jointly bid for the biggest railway project so far under the government's public-private partnership scheme.

'We will continue to selectively participate in the auction of PPP projects. PNR [Philippine National Railways], we will definitely take a look at that, it is a massive project. We will do it in a consortium we're now mobilizing in terms of preparing for that project,' John Eric Francia, managing director of Ayala, told reporters after the opening of the P2.2-billion Muntinlupa-Cavite Expressway Project.

Francia said his company was in talks with Metro Pacific 'but nothing has been formalized yet in terms of consortium.'

'We are definitely talking to partners and MPIC is the most advanced in that regard,' he said.

...."

We confirm that Ayala, through AC Infrastructure Holdings Corporation, is in discussions with Metro Pacific Investments Corporation in connection with a potential partnership for the bidding for the South Line of the North-South Railway Project. However, no definite agreements have been reached to date.

Very truly yours,

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

PAOLO F. BORRROMEO

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