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PRESS STATEMENT

Ayala Group allots P185 billion capex for 2015

The Ayala group has earmarked P185 billion in capital expenditures this year as it continues to support the massive expansion plans of its core businesses, particularly its real estate and telecom units, while continuing to ramp up its investments in power generation and transport infrastructure.

A bulk of this amount is allotted to Ayala Land, Inc., which has set aside a record P100 billion to bankroll its aggressive expansion program in line with its “2020 Vision” business plan. The plan will support Ayala Land’s target to post an average growth of 20 percent annually with an end goal of reaching P40 billion in net income by 2020 from P11.7 billion in 2013.

In addition, a large portion of the conglomerate’s capital spending this year will be via Globe Telecom, Inc., which has programmed around P29 billion in 2015 primarily for data-related initiatives and LTE network infrastructure upgrades. With P8 billion from its planned capital expenditures in 2014 sliding into the first half of this year largely due to timing issues, Globe’s total capital spending will be about P37 billion in 2015.

At the parent level, Ayala Corp. will deploy P21 billion primarily to support investment programs in power generation and transport infrastructure. The rest of the amount will be deployed to fund the growth initiatives of the other business units, including Manila Water Company, Inc., Bank of the Philippine Islands, and Integrated Micro-Electronics, Inc.

“We started an aggressive growth strategy a few years back and we continue to undertake value enhancing opportunities amidst this sustained momentum in our economy. Each of our business units are seizing investment opportunities within their individual spaces under this positive environment,” Ayala Corporation Chairman and CEO Jaime Augusto Zobel de Ayala said. “In particular, we continue to strengthen our positions in power and transport infrastructure --- two sectors that are presenting opportunities for investments with potential to become new growth platforms for Ayala,” Mr. Zobel added.

“We have seen robust growth in our earnings in the first three quarters of 2014 and we are optimistic that our fourth quarter growth will be at an even faster pace. We remain positive about the country’s overall macroeconomic environment this year as reflected in the aggressive capital spending we have planned out,” Ayala Corporation Chief Finance Officer Delfin Gonzalez, Jr. noted. The company will release its full year financial and operating results next month.

For the first nine months of 2014, Ayala registered a net income of P14.1 billion, a 35 percent growth from the previous year primarily driven by the robust performance of its real estate, telecom and water units.

--NOTHING FOLLOWS--