



Press Statement

April 15, 2016

Ayala Corporation targets to double net income to P50B in 2020

At its annual stockholders' meeting held today, Ayala Corporation Chairman and CEO Jaime Augusto Zobel de Ayala announced the group's five-year plan to increase its net income to P50B. Dubbed "Ayala 2020", the plan also seeks to improve shareholder return on common equity to 15%; expand equity earnings contribution of businesses outside its four largest business units to 20%; and increase the group's presence in Southeast Asia to 10% of equity earnings by 2020.

Mr. Zobel said, "Amidst the upcoming political changes, we remain optimistic about the overall environment in the Philippines. Overall, our current businesses have a clear and sustainable growth path in the coming years that we envision will perform above nominal GDP growth. As part of our 2020 plan, we are upbeat about our investments in new platforms, specifically along three clusters: power and transport infrastructure, healthcare and education, and automotive and manufacturing."

Over the last few years, Ayala has aggressively invested in the power generation space, with a target of building 1000MW of attributable capacity. The company has also invested in the transport infrastructure sector with tollroads, railroads, and rail payment PPPs. More recently, Ayala ventured into healthcare and education, acquiring Generika and the University of Nueva Caceres, to build a presence in social infrastructure.

Today, the group highlighted manufacturing as another growth pillar for the group. With its existing investment in Integrated Micro-electronics Inc. (IMI), one of the largest automotive electronics manufacturing services in the world, Ayala is seeking to expand its manufacturing portfolio through acquisitions and partnerships.

In line with that, today, Ayala announced a joint venture with KTM AG, a leading global motorcycle manufacturer, to both serve as the exclusive local distributor of KTM products and to manufacture motorcycles for the Philippines and for export to China and Southeast Asian countries. The Austria-based KTM Group builds and markets a wide range of award-winning off-road and street motorcycles. KTM Chief Executive Officer Stefan Pierer stated, "We are delighted to have found a strong and capable Asian partner in the Ayala group, one of the leading conglomerates in the Philippines, a country we view as a key platform for achieving our global growth strategy. Ayala's capabilities in manufacturing, distributorship and dealership, as well as its regional expertise and excellent reputation, make them the ideal strategic partner for our READY TO RACE aspirations. We look forward to a long and fruitful relationship and plan to rapidly grow KTM and its brands across Asia."

For his part, Ayala Corporation President and COO Fernando Zobel de Ayala commented, "We are very excited to introduce KTM and its lineup of outstanding performance motorcycles to the Philippines. For decades, KTM has been at the forefront of motorcycle engineering and technology, building vehicles that are "Ready to Race". This venture will enhance our existing offerings under our automotive group and allow us to serve more of the country's growing mobility needs."

The new business will be housed under the Ayala Automotive unit, with production being subcontracted to IMI. "This partnership is the first of many investments as we ramp up our manufacturing portfolio. Over the years, we have built a long track record of excellence in manufacturing and engineering. We believe that manufacturing should be a critical component for the country's growth moving forward, providing thousands of jobs, creating numerous ancillary business opportunities, and helping drive inclusive growth for the Philippines," said Jaime Augusto Zobel de Ayala, Chairman and CEO of Ayala Corporation.

In addition, Mr. Fernando Zobel highlighted three areas where the Ayala group has been and continues to be a major contributor to the economic and social development agenda of the Philippines. These areas are continued investments, taxes paid and employment.

Over the last five years, the Ayala group has invested over half a trillion pesos in capital expenditures, investing in businesses that are critical to the country's economic growth. It has paid P170 billion in aggregate corporate taxes and has given direct and indirect employment to 90,000 Filipinos. Today, it continues to show its confidence to the Philippine economy by earmarking P174B in total capital expenditures across the group in 2016, Mr. Fernando Zobel added.

About KTM



KTM AG has its registered office in Mattighofen, Stallhofnerstrasse 3, Austria and has been recorded in the commercial register at the Provincial Court as Commercial Court in Ried in Innkreis under File number FN 107673 v.

KTM AG engages in the development, production, and distribution of motorized vehicles for recreational purposes (power sports), in particular under the KTM and Husqvarna brands, and holds stakes and entities engaging in the development, production and distribution of such equipment. As of December 31, 2015, the KTM group includes 39 subsidiaries, located in Austria, the United States, Japan, South Africa, Mexico and India and in various other countries of Europe and Asia.

"READY TO RACE" – for KTM, these three words are far more than a simple slogan.

They stand for the entire company philosophy of developing vehicles that can without any modifications comprehensively assert themselves in any race. Direct from the dealer onto the track and into the battle for victory. Designers, engineers and riders are bound by a clear common denominator - an unconditional passion for motorcycles.

For more information please visit:

www.ktm.com and www.ktmgroup.com