

OFFICIAL STATEMENT
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Ayala enrolls 2012 Bond in PDEX

Ayala Corporation's Fixed Rate Bonds due in 2012 has been enrolled with the Philippine Dealing & Exchange Corp. (PDEX), the first fixed income instrument admitted for trading in the inter-professional market.

The Ayala offering was issued at par and has an aggregate principal amount of PHP6 billion with an annual coupon of 6.825% payable quarterly. The issue has been rated PRS Aaa by the Philippine Rating Services Corp. Based on the prospectus, Ayala intends to use the proceeds to refinance peso and USD-denominated obligations which have been paid in 2007 and for general working capital without allocation and with no particular order of priority.

Ayala was incorporated in January 1968 with business activities divided into four key areas: a) real estate and hotels, b) financial services, c) Telecommunications, and d) a portfolio of other investments held under an internal development division called AC Capital.

The trading of AC Bonds by PDEX trading participants shall be governed by the PDEX rules for the inter-professional fixed income securities market and PDEX trading conventions.

The enrolment of the corporate bond issue in PDEX provides an alternative investment for the market and creates wider opportunities for fund raising by corporates paving the way for the prospective listing of corporate issues available for trading by the investing public.

PDEX provides a centralized and organized market for the secondary trading of the AC Bonds, thus expanding trading from the initial market makers designated by the issuer to include other participating dealers and qualified institutional investors that are PDEX trading participants. Enrolment and listing in an organized market provides efficient price discovery and transparency that enhances liquidity for the benefit of the bondholders.

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