

OFFICIAL STATEMENT
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AC & ALI LIST IN THE PHILIPPINE DEALING & EXCHANGE CORP.

Both Ayala Corporation and Ayala Land Inc. participated in the Listing Ceremonies held at the PDS Group offices today, highlighting their agreements to have their Fixed Rate Bonds, Php6,000,000,000 due 2012 with a 6.825% p.a. coupon rate and Php4,000,000,000 due 2013 with an 8.75% p.a. coupon rate respectively, listed in the Philippine Dealing & Exchange Corp. (PDEX) thereby paving the way for trading of their bonds in the inter-dealer, inter-professional (including qualified investors) and the public markets (including retail investors).

The listings serve to highlight the contribution of an integrated infrastructure to the advancement of the secondary capital market for corporate debt. PDEX Trading Participants and the market as a whole will be harnessing the full breadth and power of the PDS Group fixed income securities infrastructure which includes the Philippine Depository and Trust Corp. (PDTC) and the Philippine Securities Settlement Corporation (PSSC).

Under the integrated infrastructure, trades executed thru the electronic trading platforms at PDEX would be automatically transmitted to the PDS Gateway (operated by PSSC) where the buying and selling parties and their intermediaries authorize the trade for settlement. Settlements shall take place on a Delivery versus Payment mode, as required by SEC regulations for all secondary trades, ensuring the simultaneous settlement of securities in PDTC and cash transactions in their corresponding cash settlement accounts. PDTC was chosen as the Registry Agent for both bond issues to monitor changes in the ownership of the securities and issue registry confirmation advices in this regard.

These maiden listings of prime corporate securities in the organized market not only constitutes a significant milestone in the development of an active corporate bond market in the Philippines but creates compelling value for issuers, PDEX trading participants, and investors alike.

Specifically, the listings will enable issuers to access a broader market, including qualified and retail investors, enhance secondary market turnover and benefit from increased market awareness of the issue. Trading participants shall also gain in terms of a more diversified menu of available trading instruments, enhanced product liquidity and improved market depth via increased trading activity.

The listings are hoped to provide considerable benefits to the investing public, who can now enjoy better price discovery and transparency, greater liquidity, enhanced portfolio diversification and a clearer understanding of the risk-return profile of their investment. This will be the first time ever that investors in debt securities can enjoy the transparency already enjoyed by investors in equity instruments that are listed on the PSE. Under the listings, issuers are required to give timely information to the investing public through the disclosure mechanism set in motion by PDEX. This is envisioned to give investors an opportunity to evaluate their investments and make informed decisions on whether to sell, buy or continue to hold them.

In addition, retail investors will now benefit from an increased flexibility in their buying and selling of AC and ALI (and other listed corporate issues) as they can now access these issues thru any PDEX Brokering Participant of their choice at market prices.

The AC and ALI Bond listings not only adds more impetus for secondary market trading of fixed income securities to grow but also enables investor access to a broader array of investment instruments to manage risk and enhance portfolio return which to date has been dominated by government debt securities and bank deposits.

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