

OFFICIAL STATEMENT
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AYALA CORPORATION LISTS BENCHMARK PHP 10 BILLION 6.875% BONDS DUE 2027 ON PDEX



Ayala Corporation (AC) Managing Director, Chief Finance Officer and Chief Information Officer Delfin C. Gonzalez, Jr. (second from right) leads the ringing of the bell during the listing ceremony of Php 10-B Ayala 6.875% Bonds due 2027. Also in photo (from left) are PDEX Chairman and Chief Executive Officer Vicente B. Castillo, AC Managing Director and Treasurer Ramon G. Opulencia, and PDEX President and Chief Operating Officer Cesar B. Crisol.

Ayala Corporation (Ayala or AC) listed last May 11 its P10 billion 6.875% Bonds due 2027 simultaneous with the issuance date.

The fixed rate bonds due 2027, rated “PRS Aaa” by the Philippine Ratings Services Corporation, is the largest and longest tenor debt issued in the domestic capital markets by a private corporation to-date.

This is Ayala’s fourth bond listing, following its innovative May 2010 putable and May 2011 multiple put bond transactions, and its landmark November 2007 bond issue, which was the first corporate issue to enter the organized debt market.

Ayala, one of the leading business groups in the Philippines, is engaged in real estate and hotels, financial services and insurance, telecommunications, water distribution and wastewater services, electronics manufacturing telecommunications, automotive dealerships, business processing outsourcing (BPO), investments in overseas real estate projects and technology-related ventures, power generation, and transport infrastructure.

PDEX Chairman and CEO Vicente B. Castillo said in his welcome remarks, “We at PDEX commend Ayala in sharing our vision and continuing belief in the value of organized and transparent markets. This indeed is a milestone for everybody because we have successfully placed a 15-year issue. I also wish that we start looking at expanding our

investor base and providing them equal access. I’m happy that some of our underwriters are now pushing to make the tax-exempt market as part of the outlet of these issues so that we could stabilize liquidity more particularly now that we are issuing longer maturities.”

Ayala Managing Director and Treasurer Ramon G. Opulencia said in his message on behalf of the issuer, “This deal is part of our goal to extend the tenor of our debt offering with retail investors as anchor clients. We estimate that a sizable 70% of the issue was taken up by retail investors, showing their appetite for the issue.” Opulencia further added, “Going forward, we look to do more innovative issues not only in tenor but also in structure. We hope to do retail investor-friendly offerings and will hold their hands to make them comfortable with longer term paper.”

Also present during the ceremonies were Ayala Corp. Chief Finance Officer and Managing Director Delfin C. Gonzalez, Jr. as well as institutions that participated in the offering and issuance led by BPI Capital Corporation, the Issue Manager and Underwriter for the bond issue. The rest of the Joint Underwriters were likewise represented, notably BDO Capital & Investment Corporation President Eduardo Francisco, First Metro Investment Corporation President Roberto Juanchito Dispo, The Hongkong and Shanghai Banking Corporation Limited Managing Director and Acting CEO Jose Arnulfo Veloso, ING Bank, N.V., Manila Branch Managing Director and Country Manager Consuelo Garcia, RCBC Capital Corporation President Jose Luis Gomez, and Standard Chartered Bank Chief Executive Officer Mahendra Gursahani, and SB Capital Investment Corporation.

The committed market makers for the bond issue are BDO Unibank, Inc., BPI Capital Corporation, First Metro Investment Corporation, and Rizal Commercial Banking Corporation. They are joined by broker specialists Metropolitan Bank & Trust Company, Multinational Investment Bancorporation, Philippine Commercial Capital Inc., Rizal Commercial Banking Corporation, and First Metro Investment Corporation in facilitating liquidity for bondholders in the secondary market.

With this listing, the total level of listed issues of Ayala Corporation stands at Php 30 billion. Meanwhile, the aggregate Ayala Group outstanding level of listed issues is now at Php 49 billion, accounting for 22% of the overall outstanding listed corporate securities on PDEX. The total face value of outstanding tradable corporate debt is over Php 222 billion. #