



January 8, 2019

Securities and Exchange Commission

SEC Building, Mandaluyong City

Attention: **Director Vicente Graciano P. Felizmenio, Jr.**
Director, Markets and Securities Regulation Department

The Philippine Stock Exchange, Inc.

6/F Philippine Stock Exchange Tower
5th Avenue corner 28th Street,
Bonifacio Global City, Taguig City

Attention: **Ms. Janet A. Encarnacion**
Head, Disclosure Department

Philippine Dealing and Exchange Corporation

37/F Tower 1, The Enterprise Center
6766 Ayala Avenue corner Paseo de Roxas, Makati City 1226

Attention: **Ms. Vina Vanessa S. Salonga**
Head, Issuer Compliance and Disclosure Department

Mesdames/Gentlemen:

Please be informed that AC Energy, a wholly-owned subsidiary of Ayala Corporation, and PHINMA today inked a mutually strategic agreement in relation to AC Energy's investment to PHINMA Energy Corporation ("PHEN"). AC Energy will acquire PHINMA's combined 51.48% stake in PHEN via a secondary share sale for approximately P3.42bn. This is based on the valuation date of December 31, 2018 and is subject to adjustments. Closing of the Transaction is subject to satisfaction of certain conditions, such as regulatory approvals, including the approval of the Philippine Competition Commission, and compliance with applicable tender offer requirements.

Very truly yours,

A handwritten signature in black ink, appearing to read 'PMB', followed by a horizontal line.

PAOLO MAXIMO F. BORRROMEO
Managing Director

PRESS RELEASE

Ayala to invest in PHINMA Energy

January 08, 2019 - AC Energy, Ayala's energy platform, and PHINMA today inked a mutually strategic agreement in relation to AC Energy's investment in PHINMA Energy Corporation ("PHEN").

AC Energy will acquire PHINMA's combined 51.48% stake in PHEN via a secondary share sale for approximately P3.42bn. This is based on the valuation date of December 31, 2018 and is subject to adjustments. Closing of the Transaction is subject to satisfaction of certain conditions, such as regulatory approvals, including the approval of the Philippine Competition Commission, and compliance with applicable tender offer requirements.

AC Energy will also subscribe to approximately 2.632bn PHEN primary shares at par value.

AC Energy and PHEN started a partnership in 2011 for the development, construction and operations of a 244 MW (net capacity) coal power plant in Calaca, Batangas under South Luzon Thermal Energy Corp.

"PHINMA was one of our early partners when Ayala was new to the power sector. This partnership has prospered over the last eight years and we welcome the opportunity to now integrate PHINMA Energy into AC Energy's platform as we grow our presence in the power generation sector," said Jaime Augusto Zobel de Ayala, Chairman and CEO of Ayala Corporation.

PHINMA President and CEO Ramon R. del Rosario, Jr., said, "PHINMA and Ayala have always enjoyed a strong partnership, making this agreement a truly welcome culmination of our joint initiatives in the energy sector, as we believe AC Energy is best-positioned to grow the business and take it to the next level. This strategic move likewise allows PHINMA to focus on our rapidly expanding investments and operations in the education and construction materials sectors."

“This transaction is an important step for AC Energy to achieve 5 GW of Renewables by 2025. The PHINMA Energy platform has significant operating and developmental renewable energy assets, and its large diesel capacity will complement the scaling-up of our renewable projects”, said AC Energy President and CEO Eric Francia.

AC Energy, based on its equity interest in power generation businesses, owns approximately 1.7 GW of generation capacity in operations and under construction. In 2018, AC Energy generated 2,800 GWH of energy, of which 48% was from renewable sources.

PHINMA Energy has an attributable generation capacity of 472 MW and is the third largest Retail Electricity Supplier, serving 378 MW of customer demand.

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About AC Energy

AC Energy is the energy platform of Ayala, one of the largest business groups in the Philippines.

AC Energy is one of the fastest growing energy companies with over \$1 billion of invested and committed equity in renewable and thermal energy in the Philippines and around the region.

The company aspires to develop 5 GW of attributable capacity and generate at least fifty percent of energy from renewables by 2025.

www.acenergy.com.ph

For inquiries and more information, please contact:

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