

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17(a)-1(b)(3) THEREUNDER

1. **May 13, 2015**
Date of Report (Date of earliest event reported)
2. **34218**
SEC Identification Number
3. **000-153-610-000**
BIR Tax Identification Number
4. **AYALA CORPORATION**
Exact Name of registrant as specified in its charter
5. **PHILIPPINES**
Province, country or other jurisdiction of incorporation
6.  (SEC Use Only)
Industry Classification Code
7. **34/F, Tower One, Ayala Triangle, Ayala Avenue, Makati City**
Address of principal office
8. **1226**
Postal code
8. **+63 2 908 3000**
Registrant's telephone number, including area code
9. **N.A.**
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the SRC

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON SHARES	619,436,152
PREFERRED B SERIES 1 SHARES	20,000,000
PREFERRED B SERIES 2 SHARES	27,000,000
VOTING PREFERRED SHARES	200,000,000

Indicate the item numbers reported herein : **Please refer to attached press release and financial statements**

Re: **Press Statement: Ayala reports P5.0 billion net income in Q1**

Pursuant to the requirements of the Securities Regulations Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AYALA CORPORATION

Registrant



PAOLO F. BORROMEEO

Group Head, Corporate Strategy and
Development

Date : **May 13, 2015**



13 May 2015
PRESS STATEMENT

Ayala reports ₱5.0 billion net income in Q1

Ayala Corporation posted ₱5.0 billion in net profits in the first quarter of the year, driven by sustained positive momentum in its real estate, banking, telecom, and electronics manufacturing businesses, while new businesses, particularly in power generation, have moved to execution phase. Without the effect of the ₱1.8 billion divestment gains from its business process outsourcing unit in 2014, Ayala's first quarter earnings grew 39 percent. With the divestment gain considered, net profit declined 8 percent. Ayala's positive earnings momentum in the first quarter is further reflected in the 11 percent sequential growth from the strong fourth quarter results in 2014.

The overall strong performance of Ayala's business units in the first three months of the year contributed a total of ₱6.4 billion in equity earnings, 27 percent higher year-on-year. Compared to net income inclusive of the net divestment gain in the same period last year, equity earnings declined 7 percent in the first quarter of the year.

"We continue to be encouraged by the strong performance of the businesses across the group. We remain optimistic that we can sustain the strong first quarter results throughout the rest of the year, and stay on track to meet our strategic goals and financial targets," Ayala President and Chief Operating Officer Fernando Zobel de Ayala said.

Real Estate

Most of Ayala's core businesses reported double-digit earnings growth year-on-year in the first quarter. Its real estate unit, Ayala Land, reported a 19 percent growth in net earnings to ₱4.1 billion, boosted by a 13 percent growth in real estate revenues. Recurring income for the first quarter comprised 44 percent of net income, driven by the steady performance of its malls, offices, and hotels and resorts.

Banking

In banking, Bank of the Philippine Islands' net income climbed 36% to ₱4.9 billion from the same period last year. Net interest income grew by 15% year-on-year due to an expansion in average asset base. Non-interest income rose by 23% during the period mainly from higher securities trading gains. Core banking business remained strong, with customer loans up by 14%, while deposits grew by 17% year on year.

Telecommunications

In telecommunications, Globe Telecom's bottomline grew very significantly by 43 percent over the same period last year to ₱4.2 billion. Gross service revenues increased by 13 percent driven by growth in data revenues across all major service lines. EBITDA margin increased to 42 percent from 38 percent in the previous year.

Electronics Manufacturing Services

In electronics manufacturing services, Integrated Microelectronics Inc.'s earnings increased 27 percent to ₱288 million vis-à-vis its first quarter last year despite foreign exchange challenges, on the back of better margins on realized cost savings and productivity. Net income margin increased by 94 basis points to 3.4 percent, mainly due to lower direct labor costs and administrative expenses year-on-year.

Water Infrastructure

The strong performance of these units counterbalanced results from the remaining businesses in the portfolio. In water, Manila Water Company, Inc. reported flat net income at ₱1.4 billion, with stronger billed volume levels offsetting higher operating expenses. Non-East Zone businesses accounted for 15 percent of total net income for the period.

Power Generation

Ayala's recent investments in power have come into fruition and started operations. In April, AC Energy Holdings, Inc. secured the Feed-in-Tariff for the 81 megawatt windfarm of the North Luzon Renewable Energy Company and the 19 megawatt expansion of Northwind Power Development Corp. In addition, AC Energy commenced commercial operations for the first 135 megawatt unit of South Luzon Thermal Energy Corp. in April.

Balance Sheet

Ayala's balance sheet remains healthy. As of March 31, 2015, parent company cash reached nearly ₱43 billion, putting its net debt-to-equity ratio at 0.23 to 1 at the parent level and 0.76 to 1 at the consolidated level.

- END -

XX AYALA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousand Pesos, except earnings per share)

	March 31, 2015 (Unaudited)	March 31, 2014 (Unaudited)
INCOME		
Sale of goods	28,013,583	24,206,390
Rendering of services	13,037,777	12,346,565
Share of profit of associates and joint ventures	3,713,895	3,145,714
Interest income	1,648,687	1,231,635
Other income	1,423,941	3,164,398
	47,837,883	44,094,702
COSTS AND EXPENSES		
Costs of sales	21,769,927	18,650,410
Costs of rendering services	7,432,814	7,726,486
General and administrative	3,941,670	3,763,314
Interest and other financing charges	3,101,019	2,879,455
Other charges	669,593	615,919
	36,915,023	33,635,584
INCOME BEFORE INCOME TAX	10,922,860	10,459,118
PROVISION FOR INCOME TAX		
Current	1,976,223	1,975,564
Deferred	142,851	(189,080)
	2,119,074	1,786,484
NET INCOME	8,803,786	8,672,634
Net Income Attributable to:		
Owners of the parent	5,043,726	5,471,434
Non-controlling interests	3,760,060	3,201,200
	8,803,786	8,672,634
EARNINGS PER SHARE		
Basic	7.63	8.90
Diluted	7.51	8.86

XX AYALA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousand Pesos)

	March 31, 2015 (Unaudited)	December 31, 2014 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	90,292,064	90,769,525
Short-term investments	2,842,161	1,102,703
Accounts and notes receivable	102,407,354	72,710,512
Inventories	55,186,127	54,962,164
Other current assets	38,745,459	35,156,558
Total Current Assets	289,473,165	254,701,462
Noncurrent Assets		
Noncurrent accounts and notes receivable	31,171,637	32,006,450
Investment in bonds and other securities	3,459,029	3,432,215
Land and improvements	81,547,340	79,959,887
Investments in associates and joint ventures	154,657,427	152,764,854
Investment properties	74,691,050	71,324,245
Property, plant and equipment	28,780,596	27,953,145
Service concession assets	74,831,835	74,836,633
Intangible assets	4,346,594	4,183,464
Deferred tax assets - net	7,623,809	8,055,020
Pension and other noncurrent assets	20,593,348	16,830,401
Total Noncurrent Assets	481,702,665	471,346,314
Total Assets	771,175,830	726,047,776
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	152,278,883	126,101,836
Short-term debt	18,074,314	21,084,269
Income tax payable	2,291,367	1,340,269
Current portion of:		
Long-term debt	19,877,679	10,761,443
Service concession obligation	1,105,477	1,019,515
Other current liabilities	8,970,890	9,452,281
Total Current Liabilities	202,598,610	169,759,613
Noncurrent Liabilities		
Long-term debt - net of current portion	213,302,204	226,999,015
Service concession obligation - net of current portion	7,787,120	7,859,153
Deferred tax liabilities - net	7,159,844	6,742,633
Pension liabilities - net	1,965,603	2,179,966
Other noncurrent liabilities	29,209,890	25,640,911
Total Noncurrent Liabilities	259,424,661	269,421,678
Total Liabilities	462,023,271	439,181,291
Equity		
Equity attributable to owners of the parent		
Paid-in capital	73,657,392	73,571,505
Share-based payments	384,309	377,376
Remeasurement gains/(losses) on defined benefit plans	(1,005,572)	(1,005,572)
Net unrealized gain (loss) on available-for-sale financial assets	223,911	(7,211)
Cumulative translation adjustments	(1,002,403)	(603,765)
Equity reserve	13,159,402	7,478,259
Equity - conversion option	1,113,745	1,113,745
Retained earnings	112,083,540	107,039,814
Treasury stock	(2,300,000)	(2,300,000)
	196,314,324	185,664,151
Non-controlling interests	112,838,235	101,202,334
Total Equity	309,152,559	286,866,485
Total Liabilities and Equity	771,175,830	726,047,776