



October 23, 2017

Securities and Exchange Commission
SEC Building, Mandaluyong City

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

The Philippine Stock Exchange, Inc.
3/F Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

Attention: **Mr. Jose Valeriano B. Zuño III**
Head, Disclosure Department

Philippine Dealing and Exchange Corporation
37/F Tower 1, The Enterprise Center
6766 Ayala Ave. cor. Paseo de Roxas, Makati City

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

Gentlemen/Mesdames:

Please be informed that Mermac Inc. ("Mermac"), the holding company of the Zobel family, sold today a portion of its holdings in Ayala Corporation ("Ayala") equivalent to 7,063,490 common shares or 0.86% of the company's total outstanding voting shares to a foreign institutional investor.

The shares were sold through a block sale that arose from a reverse inquiry from that single foreign institutional investor. After the transaction, Mermac will hold 47.75% of Ayala's common shares and 55.56% of voting shares, remaining as Ayala's largest shareholder. The transaction was executed by BPI Securities Corporation and UBS Securities Philippines Inc.

This transaction is in step with Ayala's efforts to increase its public float in view of strong demand for the company's shares.

Please refer to the attached SEC Form 23-B.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'Jose Teodoro K. Limcaoco'.

JOSE TEODORO K. LIMCAOCO
Chief Finance Officer

SECURITIES AND EXCHANGE COMMISSION
Metro Manila, Philippines

FORM 23-B

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 23 of the Securities Regulation Code

☐ Check box if no longer subject to filing requirement

1. Name and Address of Reporting Person MERMAC, INC.		2. Issuer Name and Trading Symbol AYALA CORPORATION (AC)		7. Relationship of Reporting Person to Issuer (Check all applicable) ☐ Director ☐ Officer (give title below) ☒ 10% Owner ☐ Other (specify below)					
(Last) (First) (Middle) 3/F Makati Stock Exchange Bldg., Ayala Triangle, Ayala Avenue		3. Tax Identification Number 000-317-278						5. Statement for Month/Year October 2017	
(Street) Makati City		4. Citizenship FILIPINO						6. If Amendment, Date of Original (Month/Year)	
(City) (Province) (Postal Code)									

Table 1 - Equity Securities Beneficially Owned								
1. Class of Equity Security	2. Transaction Date (Month/Day/Year)	4. Securities Acquired (A) or Disposed of (D)			3. Amount of Securities Owned at End of Month		4. Ownership Form: Direct (U) or Indirect (I) *	6. Nature of Indirect Beneficial Ownership
		Amount	(A) or (D)	Price	%	Number of Shares		
Common Shares at P50.00 Par Value	Beg. Bal.				48.88%	303,689,196	D	
						Bal as of 11/25/14		
	10/23/17	7,063,490	(D)*	P 1,060.00				
	*Block sale transaction							
	End. Bal.				47.75%	296,625,706	D	
						Bal as of 10/23/17		
Voting Preferred Shares at P1.00 Par Value	End. Bal.				79.84%	159,683,946	D	
						Bal as of 2/9/16		

(Print or Type Responses)

If the change in beneficial ownership is 50% of the previous shareholdings or is equal to 5% of the outstanding capital stock of the issuer, provide the disclosure requirements set forth on page 3 of this form.

Reminder: Report on a separate line for each class of equity securities beneficially owned directly or indirectly.

- (1) A person is directly or indirectly the beneficial owner of any equity security with respect to which he has or shares:
- (A) Voting power which includes the power to vote, or to direct the voting of, such security; and/or
 - (B) Investment power which includes the power to dispose of, or to direct the disposition of, such security.
- (2) A person will be deemed to have an indirect beneficial interest in any equity security which is:
- (A) held by members of a person's immediate family sharing the same household;
 - (B) held by a partnership in which such person is a general partner;
 - (C) held by a corporation of which such person is a controlling shareholder; or
 - (D) subject to any contract, arrangement or understanding which gives such person voting power or investment power with respect to such security.

FORM 23-B (continued)

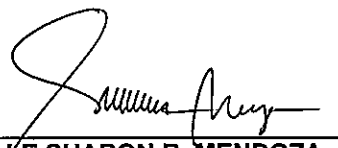
Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., warrants, options, convertible securities)

1. Derivative Security	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Yr)	4. Number of Derivative Securities Acquired (A) or Disposed of (D)		5. Date Exercisable and Expiration Date (Month/Day/Year)		6. Title and Amount of Underlying Securities		7. Price of Derivative Security	8. No. of Derivative Securities Beneficially Owned at End of Month	9. Ownership Form of Derivative Security; Direct (D) or Indirect (I)	10. Nature of Indirect Beneficial Ownership
			Amount	(A) or (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
N/A												

Explanation of Responses:

MERMAC, INC.

by:


 AGNES R. SAYAO
 
 ROSELLE SHARON R. MENDOZA
 Attorneys-in-Fact

Note: File three (3) copies of this form, one of which must be manually signed.
Attach additional sheets if space provided is insufficient.

Date: 23-Oct-17