



Ayala Corporation
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October 3, 2016

Securities and Exchange Commission
SEC Building, Mandaluyong City

Attention: Director Vicente Graciano P. Felizmenio, Jr.
Director, Corporation & Finance Department

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

Attention: Mr. Jose Valeriano B. Zuño III
OIC - 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:

Please be informed that our Management acting on the power delegated by the Executive Committee on August 31, 2016 and duly ratified by the Board of Directors at its meeting on September 20, 2016, approved today the early redemption via exercise of Call Option on the Php10 Billion Ayala 5.45% Bonds Due 2019 on November 23, 2016 in accordance with the terms and conditions of the Trust Indenture dated November 9, 2012. The Bonds shall be redeemed by payment in cash of the redemption price set at 100.500% of the Issue Price plus all accrued and unpaid interest based on the coupon rate of 5.45% per annum.

Notice of Call Option Exercise is herein attached and appropriately marked as "Annex A".

Thank you.

Very truly yours,

Jose Teodoro K. Limcaoco

JOSE TEODORO K. LIMCAOCO
Chief Finance Officer

NOTICE OF CALL OPTION EXERCISE

PhP 10 Billion Ayala 5.45% Bonds due 2019

Issue Date: November 23, 2012

Maturity Date: November 23, 2019

Call Option Date: November 23, 2016 (4th Anniversary Date)

Record Date: November 21, 2016

Pursuant to a resolution of its Executive Committee on August 31, 2016 and duly ratified by the Board of Directors on September 20, 2016, effectively delegating to the Management the decision as to when to exercise the Call Option on its PhP10 Billion Ayala 5.45% Bonds due 2019, Ayala Corporation hereby advises the Bondholders of the exercise of its Call Option redeeming all Outstanding Bonds amounting to P10,000,000,000.00 on the Call Option Date, 23 November 2016.

Details of the Call Option Exercise are set out below:

Principal amount:	₱10,000,000,000.00 (aggregate Issue Price outstanding as of the date of this Notice of Call Option Exercise)
Issue Price:	₱10,000,000,000.00
Redemption Price:	₱10,050,000,000.00
Call Option Date:	23 November 2016, on which date all interest on the Bonds will cease to accrue and payment of the Redemption Amount will be made to each Bondholder
Aggregate Redemption Amount:	₱ 10,186,250,000.00 (includes accrued interest plus an additional amount calculated at 0.50% but before any applicable tax deduction)
Redemption Amount Per Minimum Denomination of ₱50,000.00:	₱ 50,931.25 (before any applicable tax deduction)
Payment Procedure:	Amounts due to Bondholders due to such redemption will be paid by the Issuer thru the Philippine Depository & Trust Corp. ("PDTC") as Paying Agent, in the customary manner for payments by the Issuer on the Bonds prior to the Call Option Date. For clarity, PDTC will remit the Redemption Amount to the designated Cash Settlement Accounts nominated by Bondholders as appearing in the Registry
Record Date:	Payment of the Redemption Amount will be made to Bondholders recorded as such on 21 November 2016 in the electronic Register of Bondholders maintained by the Philippine Depository & Trust Corp. as Registrar
Approval of Redemption:	Exercise by the Issuer of its Call Option was approved by the Management of the Issuer on 3 October 2016 (acting on the power delegated by the Executive Committee on 31-Aug-2016 and as ratified by the Board of Directors at its meeting on 20-Sep-2016)

There shall be no secondary trading of the Bonds or modifications in the accounts starting on the Record Date. The listing of the Bonds on the Philippine Dealing & Exchange Corp. shall be terminated on the Call Option Date.

For more information, please contact Nelson A. Mamangun of Ayala Corporation Treasury Division at (02) 908 3309.