



Ayala Corporation
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Philippines

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May 23, 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: Ms. Janet A. Encarnacion
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:

Further to our disclosures dated May 20, 2010 and May 28, 2013 relating to Ayala Corporation's 200 million voting preferred shares (the "Shares"), the dividend rate of the Shares has been re-priced from 1.875% per annum to 3.6950% per annum, which is equal to the 3-year PDST-R2 as of May 20, 2016 and will be applicable until May 20, 2019, the next re-pricing date.

Clause 3 of the Terms and Conditions of the Offer and Subscription of the Shares provides that the dividend rate on the Shares will be re-priced on every third year anniversary from the Issue Date, using 3-year PDST-R2 on the subsequent re-pricing dates. In case the PDST-R2 ceases to be an acceptable benchmark, the dividend rate shall mean the replacement mark-to-market benchmark that the Bankers' Association of the Philippines will utilize.

Thank you.

Very truly yours,

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

JOSE TEODORO K. LIMCAOCO
Chief Finance Officer

A small, stylized handwritten mark or signature in blue ink, located at the bottom left of the page.