



March 14, 2011

Ayala Corporation

Makati Central PO Box 1444
Ayala Corporation
34th Tower One Ayala Triangle
Makati City 1254 Philippines

Ayala Avenue Makati City 1226 Philippines
Tel (632) 848 5643

Fax (632) 848 6768

Tel (632) 848 5643

Fax (632) 848 5643

www.ayala.com.ph

Securities and Exchange Commission

Attn.: Director Justina F. Callangan
Corporation & Finance Department
S.E.C. Building, EDSA
Mandaluyong City

Philippine Stock Exchange

Attn.: Ms. Janet A. Encarnacion
Head - Disclosure Department
3/F Tower One and Exchange Plaza
Ayala Triangle, Ayala Ave., Makati City

Philippine Dealing & Exchange Corporation

Attn.: Mr. Cesar B. Crisol
President and Chief Operating Officer
6766 Ayala Avenue corner Paseo de Roxas
Makati City

Gentlemen:

Please be informed that, at its regular meeting held today, our Board of Directors approved the following:

1. Offer and Issuance of Peso Multiple Puttable Bonds

The offer and issuance of the Ayala Peso Multiple Puttable Bonds (the "Bonds") in the principal amount of ₱6 Billion with an oversubscription option of up to ₱4 Billion subject to the registration requirements of the Securities and Exchange Commission ("SEC"), and to designate and appoint BPI Capital Corporation as the Issue Manager/Coordinating Bank under the following indicative general terms and conditions:

Instrument	SEC-registered retail bonds
Issue Price	At par (or 100% of face value)
Manner of Distribution	Public offering
Form and Denomination	The Bonds shall be issued in scripless form in minimum denominations of ₱50,000.00 each, and in multiples of ₱10,000.00 thereafter
Maturity Date	10 years from Issue Date
Put Option	The Bondholders shall have put options five (5) and eight (8) years from Issue Date. The put-option on the 5 th year is up to 10-20% of the principal amount of the Bonds held while the put option on the 8 th year is for up to 80-100% of the principal amount of the Bonds held.

Interest Rate Applicable PDST-R2 plus spread (i.e., either 10 years or weighted interpolated tenor)

2. Exercise of the Call Option on the Preferred "B" Shares

The exercise of the call option on the Preferred "B" shares on the 5th year from Issue Date of the said shares or on July 21, 2011. The Preferred "B" shares shall be redeemed at a redemption price equal to the Issue Price plus all accrued and unpaid dividends up until July 21, 2011 based on the dividend rate of 9.4578% per annum.

3. Cash Dividend on Voting Preferred Shares

The declaration and payment of the annual cash dividends of 5.2817% per annum to all shareholders of the company's outstanding unlisted Voting Preferred Shares with record date of April 26, 2011 and payment date of May 20, 2011.

Thank you.

Very truly yours,


DELFIN C. GONZALEZ JR.
Chief Finance Officer 