



SEC Reg. No. 152747
SEC Sec. Code No. E-5000

July 14, 2008

PHILIPPINE STOCK EXCHANGE

4/F PSE Center, Exchange Road
Ortigas Center, Pasig City

Attention: **Atty. Pete M. Malabanan**
Head, Disclosure Department

Dear Atty. Malabanan,

We write in response to your letter today asking Ayala Land, Inc. to confirm or deny the veracity of the news article entitled "Ayala Land project gets Davao's support" published in the July 14, 2008 issue of *BusinessWorld*.

Please note that the master planning for the project is still in the process of being completed. We had disclosed some preliminary details and cost estimates in our letter to the PSE and the SEC dated November 29, 2007 when we announced that we had entered into a Joint Venture Agreement with ANFLOCOR. Our initial estimate of Php2.31 billion for the total project cost is still our best estimate at this point in time, and we can confirm that the project will indeed feature the construction of some BPO facilities that will complement the proposed retail / shopping center. We will provide the PSE and the SEC with additional information on the project as final details become available. Apart from what we have already disclosed and confirmed, we regret that we are not in a position to comment on possible statements made to the press by the Davao City Council or any other parties involved in the project.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Jaime E. Ysmael', written over a vertical line.

JAIME E. YSMAEL

Senior Vice President, Chief Finance Officer,
and Compliance Officer

cc:

SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Mandaluyong City

Attention: **Director Justina F. Callangan**
Corporation Finance Department