

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

March 26, 2007

SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Mandaluyong City

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

PHILIPPINE STOCK EXCHANGE

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

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

Gentlemen,

Please be advised that today, March 26, 2006, Ayala Land, Inc. (“ALI”) and Manila Jockey Club, Inc. (“MJCI”) have agreed on the principal terms of a proposed office project on a 1.1-hectare property of MJCI in Sta. Cruz, Manila, which is formerly part of the San Lazaro racetrack. The project is intended to consist of two (2) office buildings with an estimated total leasable area of 40,000 square meters.

The parties have agreed to execute definitive agreements to implement the project within a period of sixty (60) days, subject to the fulfillment of certain conditions precedent, including the conduct by Ayala Land of a due diligence examination on the property and the project, as well as the approval of the respective boards of directors of the parties.

For your information.

Very truly yours,

(original copy signed)

JAIME E. YSMAEL
Senior Vice President, Chief Finance Officer,
and Compliance Officer