

SEC Number: 152-747  
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July 4, 2008

**PHILIPPINE STOCK EXCHANGE, INC.**  
4/F, Philippine Stock Exchange Inc.  
PSE Center, Exchange Road, Ortigas Center  
Pasig City

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

Dear Atty. Malabanan,

We are writing in response to your letter today asking Ayala Land, Inc. to confirm/deny the veracity of the information contained in the news article entitled "KHI to start pre-selling of Raffles Residences" published in today's issue of the Philippine Daily Inquirer.

Please be advised that Ayala Land only maintains a passive, minority stake of 20% in KHI-Manila Properties, Inc., which is developing the Raffles / Fairmont branded luxury hotel and apartment complex in Makati. As such, the project is being developed, marketed and managed independently from Ayala Land and we are not in a position to comment on the accuracy of the information contained in the news article.

Very truly yours,



**ALFONSO JAVIER D. REYES**  
Deputy Compliance Officer

Cc:  
**SECURITIES AND EXCHANGE COMMISSION**  
SEC Building, E. Delos Santos Avenue  
Mandaluyong City

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