

September 27, 2007

PHILIPPINE STOCK EXCHANGE

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

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

Dear Atty. Malabanan,

This has reference to PSE's letter, dated September 27, 2007, requesting Ayala Land to confirm/deny the veracity of the information contained in three separate articles published in Malaya entitled "P2.5B for new city in Canlubang" and "Ayala says US subprime woes not affecting sales, and the Business Mirror entitled "Ayala Land embarks on new Laguna development."

Please be advised that the said articles are generally correct subject, however, to the following clarifications:

- Total budget for the first phase of Nuvali is close to P6 billion. Of this amount, P2.5 billion is earmarked for the residential projects, while balance is for infrastructure, retail and BPO buildings.
- For 2007, P200 million is budgeted for the initial residential development.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'Jaime E. Ysmael', with a long, sweeping flourish extending to the right.

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