



AYALA LAND, INC.

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

October 27, 2006

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: **Ms. Jurisita M. Quintos**
Senior Vice President
Disclosure Department

Dear Mesdames,

Please be advised that Ayala Land, Inc. signed today a 25-year Contract of Lease with the University of the Philippines for the latter's 38-hectare property located along Commonwealth Avenue in Quezon City.

Ayala Land will develop the property into a fully integrated Information Technology and IT-Enabled Services community, with low-rise office buildings to be complemented by supporting components such as retail, residential and hotel developments. The project, to be called UP North Science and Technology Park, is targeted to commence development within the first half of 2007.

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 and Chief Finance Officer