





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

October 19, 2009

**Philippine Stock Exchange**

Attn.: Ms. Janet A. Encarnacion  
Head, Disclosure Department

**Securities & Exchange Commission**

Attn.: Director Justina F. Callangan  
Corporation & Finance Department

**Philippine Dealing and Exchange Corporation**

Attn.: Ms. Ma. Concepcion Magdaraog  
Issuer Compliance and Disclosures Dept.

Dear Madames:

Please be informed that Ayala Land Inc. ("the Company") has signed a 50-year lease agreement with the Subic Bay Metropolitan Authority (SBMA), for the development of a 7.5-hectare property along Rizal Highway within the Subic Bay Freeport Zone, located between the two main gates linking the Freeport Zone to Olongapo City.

With its proven track record of building world-class real estate projects, the Company envisions the development of an integrated mixed-use master-planned community which will include a shopping mall, Business Process Outsourcing office building, and hotel that will rise in the heart of Subic's Central Business District. This development is part of the Company's strategy to establish mixed-use master-planned growth centers in various parts of the country.

The proposed mall will offer basic conveniences that will address the everyday needs of Subic and Olongapo, as well as unique concepts that will serve not only the immediate communities but also the tourists and transients.

The Company's development will be a catalyst for growth in the Subic-Olongapo corridor and will be a major mixed use project in the Subic Freeport Zone that is well-planned, integrated and environmentally sustainable. With a total investment of approximately P3 billion, including investments generated from the project's multiplier-effect from retail, office and hotel locators, the project is expected to create about 10,000 new jobs from construction phase to operations.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Alfonso', written over a white background.

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