



19 October 2007

Philippine Stock Exchange

Attn.: Atty. Pete M. Malabanan
Head - Disclosure Department
4/F PSE Center, Exchange Road
Ortigas Center, Pasig City

Re: Capital Increase and Preferred Stock Issuance of Ayala Land, Inc. (the "Company")

Gentlemen:

Please be informed that the Securities and Exchange Commission has approved on 18 October 2007, the Company's application for an increase in authorized capital stock from ₱20 Billion to ₱21.5 Billion and the corresponding Amendment of Articles of Incorporation, and the offering and issuance of new 13.034 Billion Preferred Shares to the common shareholders of the Company.

In view of the foregoing, the Company's 13.034 Billion Preferred Shares are considered issued and outstanding commencing on 18 October 2007.

The non-cumulative and non-participating dividend rate of the Preferred Shares has been fixed at 4.64% which is equivalent to 80% of the 1-year PDST R1 and payable annually.

The above information is being disclosed in accordance with the disclosure rules of the Philippine Stock Exchange.

Thank you.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Renato O. Marzan'.

RENATO O. MARZAN

Assistant Corporate Secretary

cc: **Securities & Exchange Commission**

Attn.: Director Justina F. Callangan
Corporation & Finance Department
S.E.C. Building, EDSA
Mandaluyong City

Bank of the Philippine Islands

Attn.: Ms. Elfrida S. Narboneta
Stock Transfer Office
16/F BPI Head Office
Ayala Avenue, Makati City



REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills
City of Mandaluyong, Metro Manila

COMPANY REG. NO. 152747

**CERTIFICATE OF FILING
OF
AMENDED ARTICLES OF INCORPORATION**

KNOW ALL PERSONS BY THESE PRESENTS:

THIS IS TO CERTIFY that the amended articles of incorporation of the

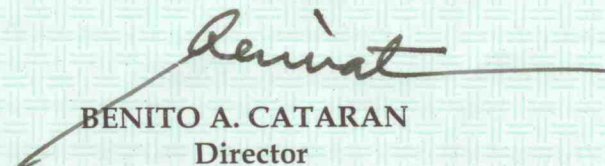
AYALA LAND, INC.
(Amending Article VII thereof)

copy annexed, adopted on July 05, 2007 by a majority vote of the Board of Directors and on August 28, 2007 by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Secretary and a majority of the Board of Directors of the corporation was approved by the Commission on this date pursuant to the provision of Section 16 of the Corporation Code of the Philippines, Batas Pambansa Blg. 68, approved on May 1, 1980 and copies thereof are filed with the Commission.

Unless this corporation obtains or already has obtained the appropriate Secondary License from this Commission, this Certificate does not authorize it to undertake business activities requiring a Secondary License from this Commission such as, but not limited to acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, close-end or open-end investment company, investment house, transfer agent, commodity/financial futures exchange/broker/merchant, financing company, pre-need plan issuer, general agent in pre-need plans and time shares/club shares/membership certificates issuers or selling agents thereof. Neither does this Certificate constitute as permit to undertake activities for which other government agencies require a license or permit.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed at Mandaluyong City, Metro Manila, Philippines, this 18th day of October, Two Thousand Seven.




BENITO A. CATARAN
Director

Company Registration and Monitoring Department





REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
City of Mandaluyong, Metro Manila

COMPANY REG. NO. 152747

CERTIFICATE OF INCREASE OF CAPITAL STOCK

KNOW ALL PERSONS BY THESE PRESENTS:

This is to certify that the certificate of increase of capital stock of the

AYALA LAND, INC.

copy annexed, from P20,000,000,000.00 divided into 20,000,000,000 shares with the par value of P1.00 each, to P21,500,000,000.00 divided into 20,000,000,000 Common shares with the par value of P1.00 each; 15,000,000,000 Preferred shares with the par value of P0.10 each, approved by majority of the Board of Directors on July 05, 2007 and by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock at a meeting held on August 28, 2007 certified to by the Chairman and the Secretary of the stockholders' meeting and a majority of the Board of Directors of the corporation, was approved by the Commission on the date indicated hereunder in accordance with the provision of Section 38 of the Corporation Code of the Philippines (Batas Pambansa Blg. 68), approved on May 1, 1980, and copies thereof are filed with the Commission.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed at Mandaluyong City, Metro Manila, Philippines, this 18th day of October, Two Thousand Seven.




BENITO A. CATARAN
Director

Company Registration and Monitoring Department

