



06 December 2007

Securities & Exchange Commission

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

Ayala Corporation

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Philippine Stock Exchange

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

Gentlemen:

Please be informed that the Board of Directors of Ayala Corporation (the "Corporation"), at its meeting held today, 06 December 2007, approved the following:

1. **Regular Cash Dividends on Common Shares**

The declaration of regular cash dividend of ₱ 2.00 per share corresponding to the second semester ending 31 December 2007, to all outstanding common shares of the Corporation's capital stock as of record date 04 January 2008, payable on 29 January 2008. The dividends will be covered by the unappropriated retained earnings of the Corporation as of 31 December 2006. The Stock and Transfer Books of the Corporation will be closed for the transfer of shares from 28 December 2007 to 04 January 2008.

2. **Quarterly Cash Dividends on Preferred "B" Shares**

The declaration and payment from the unappropriated retained earnings of the Corporation as of 31 December 2006, of the quarterly cash dividends of 9.4578% per annum, to all shareholders of the Corporation's outstanding Preferred Class "B" Shares with record date of 27 December 2007 and payable on 21 January 2008. The declaration covers the dividend period 21 October 2007 to 21 January 2008.

3. **2008 Annual Stockholders' Meeting**

Setting of the 2008 Regular Annual Stockholders' Meeting of the Corporation on 04 April 2008 at 9:00 a.m. at the Grand Ballroom, Hotel InterContinental Manila, Ayala Center, Makati City.

The above information is being submitted in compliance with the disclosure rules of the Securities and Exchange Commission and the Philippine Stock Exchange.

Very truly yours,

RENATO O. MARZAN

General Counsel and Managing Director
Corporate Governance & Legal Affairs
and Internal Audit Group