



February 20, 2013

**The Philippine Stock Exchange, Inc.**  
3F Philippine Stock Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City

**Attention of Ms. Janet A. Encarnacion**  
Head, Disclosure Department

Gentlemen:

This refers to the news article entitled “Investors snap up SM Prime shares on merger rumors” published in *philSTAR.com* on February 20, 2013. The article reported in part that:

The family of retail tycoon Henry Sy is mulling a proposal to merge its mall and property development businesses to create a real estate behemoth that could topple Ayala Land Inc.

SM Investments Corp. chief finance officer Jose T. Sio said the group is studying a proposal broached by some investment banks to merge SM Prime Holdings Inc. and other SM property groups.

“We’re studying the suggestion,” Sio told The Star. He, however, declined to give more details as everything is still under study.

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We confirm the above quoted news article.

Very truly yours,

  
**TERESA CECILIA H. REYES**  
Vice President – Finance