



June 3, 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 “SM Group creates \$14-B real estate behemoth” posted in *philSTAR.com* on June 1, 2013. The article reported in part that:

MANILA, Philippines - Sy-led conglomerate SM Investments Corp. (SMIC) has finalized the merger of its real estate businesses, creating a \$14-billion company – the most valuable property firm in the Philippines.

....

The transformed SM Prime will have P284 billion in current assets from P148 billion, revenues of P58.4 billion from P30.7 billion, net income of P17 billion from P10.9 billion and a total landbank to 920 hectares from 110 hectares.

SM Prime chief finance officer Jeffrey Lim said the merger will allow the company to optimize its existing landbank, increase the flexibility to conduct large developments, and heighten the coordination of all property units.

SM Prime’s market capitalization will hit at least \$14 billion, Lim said....

We confirm the veracity of the above-quoted news article except that the transformed SM Prime will have P284 billion in total assets from P148 billion and revenues of P57.4 billion from P30.7 billion as shown in the unaudited pro-forma consolidated financial information as of December 31, 2012.

Very truly yours,

A handwritten signature in black ink that reads 'Teresa Cecilia H. Reyes'.

TERESA CECILIA H. REYES
Vice President – Finance