



April 16, 2014

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 Prime set to invest P400B in PH, China deals" posted in INQUIRER.net on April 16, 2014. The article reported in part that:

"SM Prime Holdings, now one of the leading property developers in Southeast Asia, is investing at least P400 billion to further scale up its businesses in the Philippines and mainland China.

At the end of a five-year roadmap in 2018, SM Prime expects to double both its net profit and revenue base and boost return on equity to mid-teen levels from around 11 percent, SM Prime chief finance officer Jeffrey Lim said in a briefing on Tuesday.

Over the next five years, SM Prime expects to have a total of 85 shopping malls in its portfolio, of which 74 will be in the Philippines and 11 in China.

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For the shopping mall portfolio envisioned by 2018, gross floor area is expected to reach 10.96 million square meters.

The road map also envisions that the residential segment will bring to the property market a total of 139,628 square meters for 41 projects over the five-year period.

Other components of the five-year road map are as follows:

Office portfolio will reach 460,000 sqm for seven projects;

Hotel portfolio will have 2,187 rooms for 10 projects; and,

Leisure estate portfolio will have launched 5,477 units in eight projects.

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While SM Prime has so far identified only expansion opportunities in the Philippines and China, it is likewise evaluating opportunities in new overseas markets.

‘For the next five years, we are endeavoring to find other markets in Southeast Asia. I’m sure the world is changing. Right now with all our skills and experience, we are poised to go to new markets,’ SM Prime chair Henry Sy Jr. said.

Shopping mall and residential development will still account for the bulk of the capital spending and revenue mix over the five-year period.

In terms of revenue mix, China’s share of revenues is still seen to be less than 5 percent at the end of a five-year road map.

The road map has yet to include reclamation projects being planned by SM Prime in Pasay and Parañaque.

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We confirm the veracity of the above-quoted news article.

Very truly yours,


TERESA CECILIA H. REYES
Vice President – Finance