



December 5, 2011

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 eyes Mactan airport property” posted in the *Inquirer.net.com* on December 2, 2011. The article reported in part that:

CEBU CITY—Taipan Henry Sy has offered to buy the 300-hectare property in Lapu-Lapu City where the present Mactan Cebu International Airport (MCIA) is located.

Hans T. Sy, SM Prime Holdings Inc. president, expressed the tycoon’s interest in a Nov. 3, 2011, letter to Paul Villarete, MCIA general manager, offering to purchase the property should the plan to relocate the airport push through.

“We heard that among the options being considered by the Mactan Cebu International Airport Authority (MCIAA) is the possible privatization/sale of the MCIA’s current location,” he said in the two-page letter.

“In this regard, we are willing to discuss the terms of our possible participation in the disposition of the subject property as well as look into other fund-raising options being considered by MCIAA at your most convenient time,” he added.

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He said that while Sy did not indicate how much SM was willing to purchase the property, the 300-hectare lot had an assessed value of P6 billion.

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We confirm SM Prime’s interest to purchase the MCIA property subject to further discussions among the parties.

Very truly yours,


TERESA CECILIA H. REYES
Vice President – Finance