



March 28, 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 “SMIC allots P80-B capex for 2014” posted in *ABS-CBNnews.com* today. The article reported in part that:

....

SM Prime is also considering raising as much as P20 billion from a retail bond offering towards the second quarter or second half of the year, SM Prime chief finance officer Jeffrey Lim said.

‘The plan to tap the equity market is shelved for now, given the price of SM Prime. So we will work on other alternative funding options especially on the debt side,’ he said.

Lim said the bonds will be offered with tenors of 7 to 10 years.

‘Apart from the peso, we are also looking into a syndication of US dollar for our China requirements of up to \$300 million,’ he added.

....

We confirm the veracity of the above-quoted news article. Likewise, we’re confirming the P70 billion capital expenditure for SM Prime.

Very truly yours,


TERESA CECILIA H. REYES
Vice President – Finance