



March 18, 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 “Three SM companies set for consolidation” published in the March 16, 2013 issue of *The Manila Times*. The article reported in part that:

THREE of the SM Group’s businesses are targeted to be consolidated within the year, an official from the group said.

Henry Sy Jr., vice chairman of the SM Investments Corp. (SMIC), told reporters on the sidelines of Melco Crown-Belle Corp. casino deal signing that the consolidation for SM Group’s business - SM Prime, SM Development Corp. and SM Land - is bound to be finalized this year.

He added that is the perfect plan for the company, because the consolidation will be good for the company’s growth.

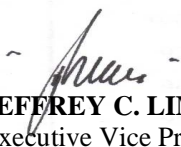
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“Once these are consolidated, some will be [delisted]. If there will be one surviving entity, we still have to think about it,” Sio added.

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We confirm that we are in the process of studying the consolidation of SM Prime, SM Development Corp., and SM Land. One possible option is the merger of the various SM property companies into one surviving listed company.

Very truly yours,


JEFFREY C. LIM
Executive Vice President