











**Positioning SM Prime for the next stage of growth**

**Special Stockholders Meeting**  
10 July 2013

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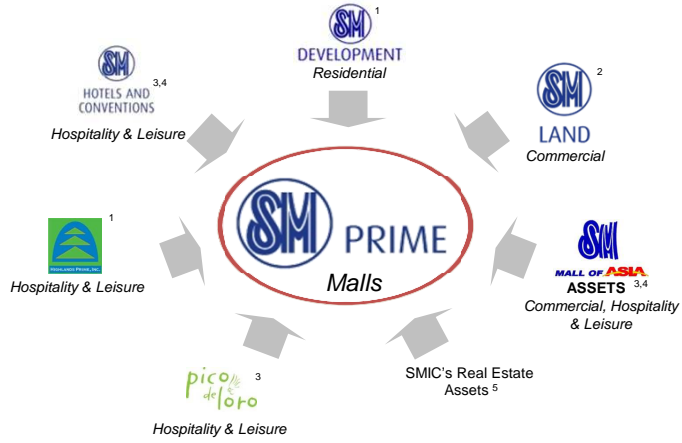
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This Presentation includes unaudited pro forma condensed consolidated financial information for SM Prime and its subsidiaries as of December 31, 2012, and for the three years ended December 31, 2010, 2011 and 2012, as if the reorganization had occurred as of January 1 of each of the periods presented, or December 31, 2012, as the case may be. The pro forma financial information included herein is necessarily based on certain assumptions, and such information is not necessarily indicative of the operating results or financial position that would have been achieved had the transactions described herein been completed prior to such periods, nor is it indicative of future results of operations or financial position, and should not be relied upon as being so indicative.

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**SM Group is embarking on a highly transformational reorganization of its real estate businesses into SM Prime**



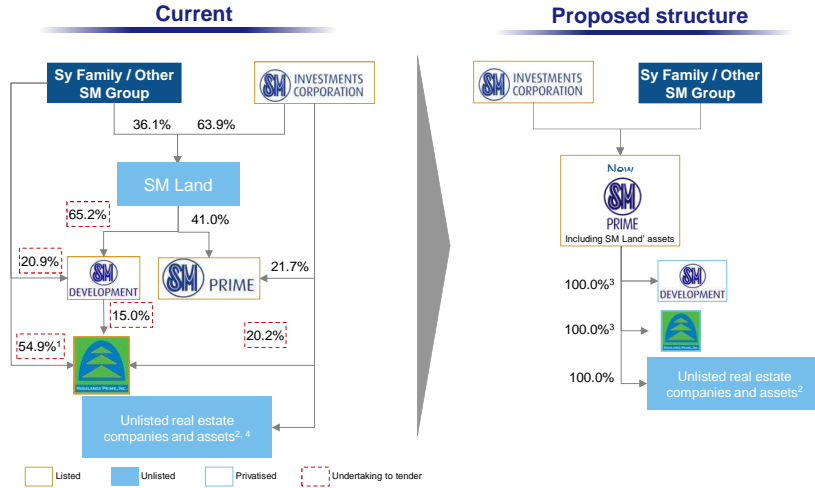
<sup>1</sup> Tender offer; <sup>2</sup> Merger; <sup>3</sup> Share for share swap; <sup>4</sup> Asset for share swap; <sup>5</sup> Includes Prime Metrostate Inc. and Tagaytay Resort and Development Corporation among others

**Transaction will create a truly integrated real estate platform in SM Prime**



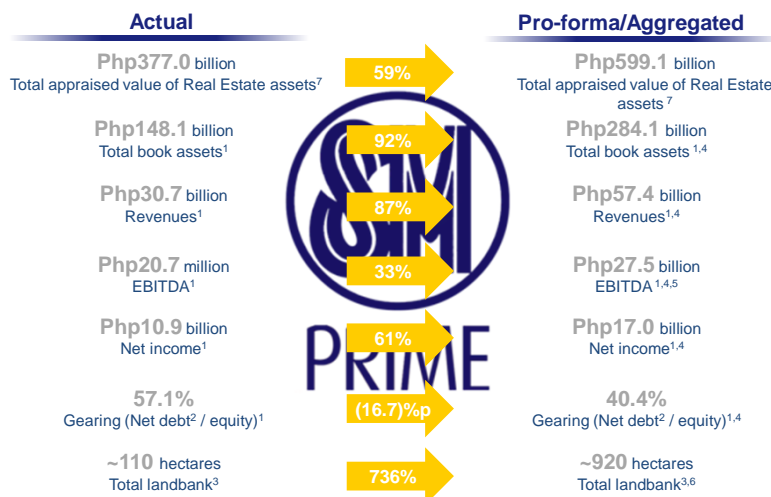
- ✓ Opportunity to create additional value in existing projects and landbank
- ✓ Greater flexibility to undertake larger scale integrated developments
- ✓ Enhanced ability to take advantage of attractive growth opportunities across real estate asset classes
- ✓ Further strengthen balance sheet to accelerate future growth

## Proposed transaction



<sup>1</sup> Includes 35.8% stake in Highlands Prime Inc. held by Belle Corp; <sup>2</sup> Companies - Prime Metrostate Inc., Tagaytay Resort & Development Corporation, SM Hotels and Conventions Corporation, SM Arena Complex Corporation, Costa Del Hamilo Inc.; Assets - MOA Arena, Radisson Cebu Hotel, Tagaytay lot, among others; <sup>3</sup> Assuming full acceptance rate of the tender offers; <sup>4</sup> Includes SMIC's indirect shareholding in Prime Metro Estate Inc. via Rappell Holdings and Costa Del Hamilo Inc. via Mountain Bliss Resort and Development Corp.

## SM Prime transformed – Key figures in a snapshot

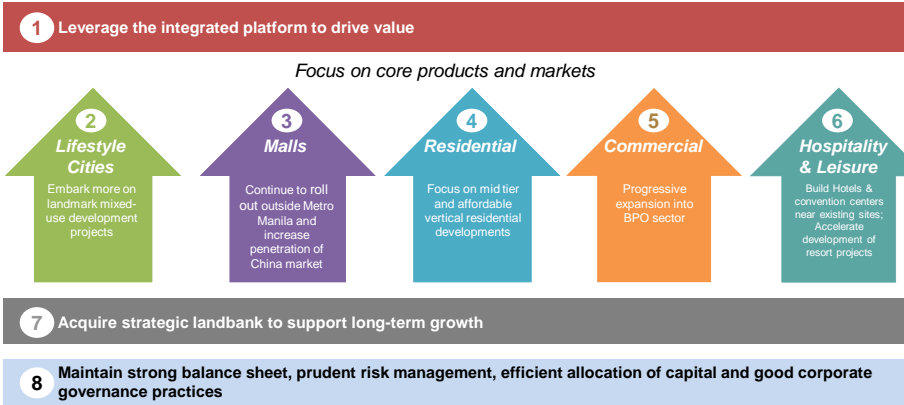


<sup>1</sup> Balance sheet figures as of 31 December 2012 and Net Income figures for the year ended 31 December 2012; <sup>2</sup> Debt, net of cash and cash equivalents, investments held for trading and short-term investments; <sup>3</sup> As of 31 March 2013; <sup>4</sup> Based on unaudited results, pro forma adjustments for tender offers by SM Land, merger between SMPH and SM Land and acquisition of companies and assets from SMIC; <sup>5</sup> EBITDA is calculated as income from operation + depreciation and amortization; <sup>6</sup> Calculated by adding landbank of all companies involved in the reorganization; <sup>7</sup> Based on CBRE's valuation report as of 28 February 2013.

## The Enlarged SM Prime will pursue a multi-pronged growth strategy



A multi-pronged long term growth strategy



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## Transaction timetable

31 May 2013	Transaction announcement
4 June 2013	Launch of HPI and SMDC Tender Offers
10 July 2013	Special Stockholders Meeting to approve the merger of SM Prime and SM Land
2 August 2013	End of Extended Offer Period
End 2013 <sup>1</sup>	Completion of merger and restructuring process

Note: Dates in this timetable are indicative only and are subject to change  
<sup>1</sup> Subject to regulatory approvals

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**SM**

**SMX CONVENTION CENTER**

**SM CITY CONSOLACION**

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