



November 24, 2009

**The Philippine Stock Exchange, Inc.**  
Phil. Stock Exchange Center, Exchange Road  
Ortigas Center, Pasig City, Metro Manila

**Attention of Ms. Janet A. Encarnacion**  
Head, Disclosure Department

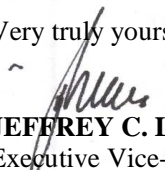
Gentlemen:

This refers to the article dated today which appeared in *Business World*. The article reported in part that:

SY-LED SM Prime Holdings, Inc. has submitted an unsolicited offer to develop part of the South Road Properties in Cebu City into what would be the listed mall developer's next big-ticket project after the SM Mall of Asia. SM Prime President Hans T. Sy said as much as P20 billion would be spent over the next 15 years to build a shopping, entertainment, and residential complex. "We have officially made an offer [to acquire part of] the South Road Properties [last month]. Hopefully, everything goes well and we are quite confident [about it] because it is not a joint venture [project]," Mr. Sy said in an interview. SM Prime, the country's largest mall developer, offered to buy 28 hectares of the 240-hectare reclaimed lot for P11,000 per square meter or almost P3 billion, which Mr. Sy said was a "high price for a provincial standard"... "That is the next big project [of SM Prime] although on top of that we also have General Santos already and we are acquiring some more [lands] in the Mindanao area..."

This is to confirm that SM Prime has officially made an offer to acquire twenty eight (28) hectares of the 240-hectare South Road Properties for P11,000 per square meter or almost P3 billion. Initially, we estimate the project development cost to be around P20 billion over a 15-year period subject to prevailing market conditions. We will also explore possible partnerships with interested parties for other developments outside of the mall.

Very truly yours,

  
**JEFFREY C. LIM**  
Executive Vice-President