



July 6, 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:

CEBU CITY — SM Prime Holdings, Inc. is negotiating for the purchase of three properties for the establishment of three more shopping malls in Metro Cebu. Hans T. Sy, SM Prime president, said the target is to have a second mall in Cebu by 2011. "We're in the middle of negotiations. We will come up with some good news towards the third quarter [of this year]. But definitely, we will have at least a second site in Cebu by 2011," Mr. Sy said. Among the three properties under negotiation is a lot within the South Road Properties (SRP), a 300-hectare property that was reclaimed and developed by the Cebu city government. Mr. Sy said he hoped to acquire all three properties, each having a size of four to five hectares. Negotiations with the Cebu city government over the SRP started last year. Initially, SM Prime had planned to acquire a 20-hectare property and introduce a mixed-use development similar to that in the Mall of Asia complex.... SM recently acquired properties in Davao and General Santos cities in Mindanao. Both malls are scheduled to open in 2011.... In Cebu, SM is focused on completing the Radisson Cebu Hotel, a 400-room upscale business hotel adjacent to the existing SM City Cebu mall, by the end of November this year. The hotel is targeted to be fully operational by December this year. The proposed SMX Convention Center adjacent to the hotel has been temporarily set aside for lack of parking space, Mr. Sy said....

We confirm the veracity of the above-quoted news article.

Very truly yours,


JEFFREY C. LIM
Executive Vice-President