



November 20, 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:

. . . SM Prime Holdings, Inc. is looking at listing its Hong Kong based property unit in the overseas market to solidify its presence abroad. In an interview, SM Prime Holdings Chief Finance Officer Jose T. Sio said SM Land (China) Ltd. will likely go public in the next five years the moment it has reached a “critical mass.” The company can be listed separately whether in Hong Kong, Singapore or Shanghai, he said. Mr. Sio defined critical mass as having ten malls in China. He said this will likely happen in the next five years, pointing out that while the company has no plan to build a mall in Singapore, the market there is bigger. SM Prime will likely remain in majority control, he said. SM Prime is 30% held by the public. . . While the strategy of the company right now is to open one mall a year, SM Prime had said this could be adjusted to three malls a year in the next two to three years . . . SM Prime said it plans to restructure the three companies so that all of them will be under SM Land . . .

This is to confirm that SM Prime is looking at listing its Hong Kong based property unit as one of its options in the future to solidify its presence abroad. However, we have yet to determine the size, timing of the listing and the number of malls. Currently, SM Prime is targeting to open one mall a year in China and this could be adjusted to two malls a year in the next three years to bring this to ten malls by 2014. SM will open a mall in Suzhou next year; Chongqing in 2011 and Zibo in Shandong in 2012.

Very truly yours,


JEFFREY C. LIM
Executive Vice-President