

October 22, 2007

**Philippine Stock Exchange**

Attn.: Atty. Pete M. Malabanan  
Head – Disclosure Department  
4/F PSE Center, Exchange Road  
Ortigas Center, Pasig City

Re: Glorietta 2 Incident

Gentlemen:

Please be informed that, as of this time, the nature and cause of the explosion last October 19 which damaged both the Glorietta 2 atrium and delivery bay are still being determined by police authorities.

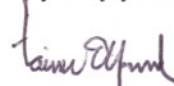
We are taking all possible measures to ensure that all affected by this incident are attended to with maximum care. Our top priority are the families of the fatalities and those injured who are currently being given proper medical treatment.

We are also doing everything we can to ensure the welfare of tenants and workers. We have tightened security measures and established the structural integrity of Glorietta 1, 3 and 4 which opened to the public last Saturday. We are conducting detailed engineering investigation and analysis for Glorietta 2 to determine the extent of damage caused by the incident.

Although we are currently undertaking an assessment of the total financial impact of this incident, we initially estimate the physical damage to amount to approximately P100 Million. We do not expect a significant revenue loss given the small gross leaseable area of Glorietta 2 relative to total gross leasable area of the entire Glorietta complex.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Jaime E. Ysmael', with a long, sweeping flourish extending to the right.

**JAIME E. YSMAEL**  
Compliance Officer

cc: **Securities & Exchange Commission**

Attn.: Director Justina F. Callangan  
Corporation & Finance Department  
S.E.C. Building, EDSA  
Mandaluyong City