

August 3, 2015

PHILIPPINES STOCK EXCHANGE
4F Philippine Stock Exchange Center
Exchange Road, Ortigas Center
Pasig City

Attention: **Ms. Janet A. Encarnacion**
Head, Disclosures Department

Subject: Starmalls, Inc.: **News Clarification 08/03/2015**

Gentlemen:

We reply to your letter of even date requesting confirmation of the news article that was published in the August 1, 2015 news article in Manila Bulletin (Internet edition) entitled “Starmalls plans stock offer, embarks on P26-B expansion”, specifically, the portion thereof which read as follows:

“Starmalls Inc., the shopping center development arm of the Villar group of companies, is eyeing a possible follow-on offering next year even as it could spend up to P26 billion over the next three years for its aggressive expansion.

In an interview, Starmalls chairman Manuel B. Villar said ‘we haven’t discussed the details yet but we’re really preparing for an offering for Starmalls next year to fund our expansion; so we will be raising some cash.’

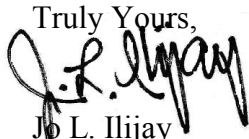
Villar said ‘we will be opening three new branches this year in Taguig, Bataan, and Sta. Rosa. Next year we will be putting up another five malls. Typically, the investment for each mall is about P1.5 billion to P2 billion.’

The firm is also planning to put up five to eight malls in 2017 and, by then, this will include branches outside Luzon, particularly in the cities of Cebu and Iloilo in the Visayas.

Thus, by the end of 2015, Starmalls will have a total of 18 malls, 23 malls by 2016 and up to 31 malls by the end of 2017 as part of its long term vision to venture in community malls and create regional super centers across the Philippines.

.....”

We confirm that the above statements regarding Starmalls are substantially correct please note however that any forward-looking statements included in the article are not a guarantee of future performance and involves a number of known and unknown risks, uncertainties and other factors that could cause the actual performance, financial position or results of operations of Starmalls, Inc. and its subsidiaries to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements.

Truly Yours,

Jo L. Ilijay
Officer-In-Charge