

**EXHIBIT A
CONVERSION NOTICE**

**SM INVESTMENTS CORPORATION
U.S.\$300,000,000 Zero Coupon Convertible Bonds due 2012
convertible into Shares
of SM Investments Corporation**

(Please read the notes overleaf before completing this Notice.)

Name: Date:
Address: Tel No:
Fax No:

Euroclear/Clearstream Account No. (if applicable):

Signature:

.....
To: **SM Investments Corporation (the "Company")**
To: The Conversion Agent

We, being the holders of the Bonds specified below, hereby irrevocably elect to convert such Bonds into shares issued by the Company (the "Shares") in accordance with Condition 6 of the terms and conditions of the Bonds.

1 Total principal amount and identifying numbers of Bonds to be converted:

Total principal amount:

Total number of Bonds:

Identifying numbers of Bonds (if relevant)*:

Identifying numbers of Certificates deposited in respect of Bonds to be converted (if relevant)*:
.....

N.B. If necessary, the identifying numbers of Bonds and Certificates can be attached separately.

* Not required for Bonds represented by the Global Certificate

2 Name(s) and address(es) of person(s) in whose name(s) the Shares required to be delivered on conversion of the Bonds are to be registered:

Name:

Address:

Details of the securities account to be credited with such number of Shares:

Account Name:

Account Number:

Broker Account Name with Philippine Depositary:.....

Client Account Number with his/her broker:.....

Telephone/Fax number:.....

N.B. If necessary, the details relating to stated principal amounts of Bonds may be attached separately.

- 3** I/We hereby request that the certificates for the Shares (together with any other securities, property or cash) required to be delivered upon conversion be despatched (at my/our risk and expense) to my/our local agent in the Philippines whose name, contact person, telephone numbers, fax number and address is given below and in the manner specified below:

Name:

Contact Person:

Address:

.....

.....

Telephone Number/Fax Number:

Manner of despatch:

The Certificate in respect of the Bonds converted hereby accompanies this Conversion Notice.*

Name:

Address:

.....

.....

* Not required for the Global Certificate.

- 4** I/We hereby certify that I/we have paid/will pay:

- 4.1** the amount of (if any) stamp, issue, registration or other similar taxes and duties ("Duties"):

- 4.1.1** arising upon exercise of the Conversion Rights in the country in which such Conversion Rights are exercised is:

Amount:

Country in which Conversion Rights are exercised:

and/or

- 4.1.2** payable in any jurisdiction consequent upon the issue or transfer of Shares to or to the order of a person other than the exercising Bondholder is:

Amount:

Country in which Duties are payable:

the relevant tax authorities pursuant to Condition 6.2.2 of the Terms and Conditions of the Bonds is:

Tax Authority Address:

.....

.....

- 5** The Company has notified the Conversion Agents that the Company's register of shareholders will be closed on the following dates:

.....

.....

- 6** I/We hereby represent and agree that:

- (a) all approvals, consents and authorisations required by the laws of the Philippines to be obtained by me/us in relation to the said conversion have been obtained and are in full force and effect and that any applicable condition thereto has been complied with by me/us;
- (b) all stamp, issue, registration, excise and similar taxes and duties (if any) arising on conversion of the Bonds or payable consequent upon the issue, delivery or transfer of Shares or any other property or cash upon conversion to or to the order of a person other than me/us have been paid or will be paid by me/us, except that the Company will pay the expenses arising in the Philippines on the issue of Shares on conversion of Bonds and all charges of the Conversion Agents in connection therewith;
- (c) I/We hereby declare that I/we have duly appointed as my/our local agent the person named in section 3 above and acknowledge that the local agent is my/our agent and not the agent of the Company; and I/we further acknowledge that I/we will not hold the Company liable for any acts or omissions of the local agent;
- (d) I/We are not an affiliate of the Company or a person acting on behalf of such an affiliate;
- (e) I/We are not in the business of buying and selling securities, or if we are in such business, we did not acquire the Bonds from the Company or any affiliate thereof in a 'distribution' of Bonds;
- (f) I/We further acknowledge that the Company and the Trustee and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements; and
- (g) I/We hereby declare that a copy of this notice has been provided to the local agent;
- (h) I/we are providing the information above to enable the Company to comply with its reporting obligations under the laws and regulations of Philippines and I/we understand that the Company will rely on the information provided herein for such purpose and I/we agree that the Company may provide or report such information for such purpose; and
- (i) I/we represent and agree that:

I/we, or each person(s) who has/have a beneficial interest in the Bonds to be converted, am/are/is not a US person/US persons or located in the United States (within the meaning of Regulation S under the US Securities Act 1933 ("**Regulation S**")). I/we, or such person(s), purchased such Bonds, or the beneficial interest therein, in a transaction made in accordance with Rule 903 or 904 of Regulation S.

Date:

Signed, _____

as or on behalf of the holder of the Bonds specified above

N.B.

- (i) This Conversion Notice will be void unless the introductory details in Sections 1 to 8 are completed.
- (ii) Your attention is drawn to Condition 6.2.1 of the Bonds with respect to the conditions precedent which must be fulfilled before the Bonds specified above will be treated as effectively eligible for conversion.
- (iii) Despatch of share certificates or other securities or property will be made at the risk of the converting Bondholder and the converting Bondholder will be required to submit any necessary documents required in order to effect, despatch in the manner specified.
- (v) If a retroactive adjustment contemplated by the terms and conditions of the Bonds is required in respect of a conversion of Bonds, certificates for the additional Shares deliverable pursuant to such retroactive adjustment (together with any other securities, property or cash) will be delivered or despatched in the same manner as the Shares, other securities, property and cash previously issued pursuant to the relevant Conversion Notice.

For Agent's use only:

- 1 (A) Bond conversion identification reference: [] SM Investments Corporation Zero Coupon Convertible Bonds due 2012
- (B) Conversion Date:
- (C) Deposit Date:
- 2 (A) Aggregate principal amount of Bonds in respect of which Certificates have been deposited for conversion:
- (B) Conversion Price on Conversion Date:
- (C) Number of Shares issuable: (A) =
(disregard fractions) (B)
- (D) Exchange Rate:
- 3 (if applicable) amount of cash payment due to converting Bondholder under Condition 6.1.2 in respect of fractions of Shares:

The Conversion Agent must complete items 1, 2 and (if applicable) 3.