



Filinvest Development Corporation

March 3, 2006

PHILIPPINE STOCK EXCHANGE, INC.

Phil. Stock Exchange Centre, Exchange Road
Ortigas Center, Pasig City

Attention: JURISITA M. QUINTOS
Senior Vice-President

Re: Additional Information on Investment
Agreement among CPI, FAI and AI

Gentlemen:

We refer to the email of your Exchange dated March 1, 2006 requesting for additional information on the investment arrangement among Cyberzone Properties, Inc. ("CPI"), Filinvest Alabang, Inc. ("FAI") and Africa Israel International Properties (2002) Ltd. ("AI") as embodied in the "Investment Agreement" dated February 7, 2006. We hereby provide the following information on the matters raised in your email, to wit:

1. *Rationale for the transaction, including the benefits which are expected to be accrued to the listed issuer (Filinvest Development Corporation or FDC) as a result of the transaction*

The capital investment of AI in CPI makes available more funds to fast-track the construction by CPI of additional IT-based buildings in order to meet increasing demands of the IT market.

The growing ability of CPI to meet such demands helps establish a niche for FDC and the Filinvest group of companies in general in the area of IT park and ECOZONE development, and widens the range of real estate products that they could reliably offer to the general public.

2. *Terms and conditions of the transaction:*

i. *Total number of CPI shares to be subscribed by AI*

AI shall subscribe to Four Hundred Sixty Five Million Three Hundred Seventy Thousand Six Hundred Sixty Seven (465,370,667) shares of the authorized capital stock of CPI, after the same shall have been increased to 2,000,000,000 shares with the approval of the Securities and Exchange Commission.

ii. *Price per share/total amount of consideration*

In consideration for the 465,370,667 shares to be issued to it, AI shall pay a total subscription price of Five Hundred Thirty Eight Million Pesos (₱538,000,000), or a price per share of One Peso and 156/1000 Centavos (₱1.156).

iii. *Principle followed in determining the amount of consideration/valuation method*

In fixing the subscription price to be paid by AI for the 465,370,667 shares, the parties were primarily guided by the valuation of the buildings owned and managed by CPI, all located at the Northgate Cyberzone in Filinvest Corporate City, Alabang, Muntinlupa City. For purposes of the investments of AI and FAI, these buildings were valued by CPI at Eight Hundred Seven Million Pesos (₱807,000,000).

iv. *Terms of payment/settlement method*

AI shall subscribe to the 465,370,667 shares by paying the subscription price stated above in cash over a period of up to 24 months.

3. *Percentage of ownership (direct or indirect) of FDC in CPI before and after the transaction*

Prior to the equity investment of AI, FDC owned 90% of CPI, though indirectly. Upon the completion of the subscription of AI, FDC's ownership of CPI will drop to 54%.

4. *The nature of any material relationship among AI, CPI, FAI and FDC, its directors/officers, or any of its affiliates*

Before the investment of AI in its capital stock, CPI was the wholly-owned subsidiary of FAI. FAI is a majority-owned subsidiary of FDC. Josephine G. Yap

is a director of CPI, FAI, FDC and Filinvest Land, Inc. ("FLI"), another majority-owned subsidiary of FDC. She is also the President of FDC and CPI and the Executive Vice-President of FAI. Mr. Efren M. Reyes is a director of CPI and the Senior Vice-President of FLI. Mr. Ricardo G. Villarosa is a director of CPI and a consultant of FLI.

AI is not related to CPI, FAI or FDC.

5. *Any other information relevant to the transaction*

The investment proceeds will be used by CPI to finance the construction of additional buildings at the Northgate Cyberzone for lease to locators thereat and to fund its other working capital requirements. In case of the need to complete an ongoing construction, or to commence another one, ahead of a pre-planned schedule, the Board of Directors of CPI may request AI to make its additional subscription ahead of its commitment under the Investment Agreement.

We trust the foregoing is sufficient. Should you require additional information, please let us know.

Very truly yours,

(original signed)

ABNER C. GENER JR.

Corporate Information Officer