

March 10, 2014

PHILIPPINE STOCK EXCHANGE

3rd Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention : Ms. Janet A. Encarnacion
Head - Disclosure Department

Re : **SM Investments Corporation (SMIC)**
SEC Reg. No. 16342

Dear Ms. Encarnacion,

This is in reference to your memo dated March 10, 2014, requesting for confirmation on the veracity of the following news articles posted in INQUIRER.net on March 10, 2014. The article reported in part that:

In the wink of an eye, the SM group of tycoon Henry Sy has become one of the biggest office property landlords in frenemy territory—Bonifacio Global City—with the acquisition of a 90-percent stake in the five office towers built by the Net Group.

This gives SM a controlling interest in the following buildings: Net One, Net Square, Net Cube, Net Quad and Net Plaza. Counting only the gross leasable area, these five buildings have a combined space of about 147,000 square meters out of a gross floor area of 220,000 square meters.

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But how much did SM pay for the 90-percent stake unloaded by private equity fund manager Apollo real estate group in these five towers? Our reliable industry sources estimated that 100 percent of the five towers was valued at around P18.8 billion. This implies that the SM group paid P16.92 billion for the 90-percent stake.

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As we disclosed on November 5, 2013, SM Investments Corporation acquired from CPI Asia Ten B.V. its equity interest in property companies located in Bonifacio Global City. The amount is subject to finalization after due diligence.

Very truly yours,



Jose T. Sio

Executive Vice President and CFO
Corporate Information Officer
SM Investments Corporation

Cc: Director Justina Callangan
SEC—Corporate Finance Dept. Head

Ms. Ma. Concepcion Magdaraog
PDEX – Issuer Compliance & Disclosure Dept. Head

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