

November 11, 2013

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 letter dated November 11, 2013, requesting for confirmation on the veracity of the following news article entitled "SM geothermal unit eyes public offering" posted in *Manila Standard Today* on November 11, 2013. The article in part that:

"SM INVESTMENTS Corp. plans to list the shares of unit Philippine Geothermal Production Co. in the stock exchange, a company executive said.

SMIC chief financial officer Jose Sio told reporters an initial public offering was one of the options for Philippine Geothermal, where SM group holds a 60-percent stake. Chevron Geothermal Inc. owns the balance.

"They [Philippine Geothermal] already have two projects. We're looking for more drilling. We're willing to go," Sio said.

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The Sy group is also looking at other geothermal development opportunities in Cebu, Bohol, Palawan, Samar, Northern Luzon, primarily in Kalinga, as well as in Mindanao, in a bid to become a significant player in the local renewable energy sector.


Sio said another option would be to consolidate Philippine Geothermal to the APC Group Inc.

"Yes, that's one of the options," he said, adding there was plan to put all "natural resources" assets of the Sy Group under APC.

...."

We confirm that one of the available options is to consolidate the SM Group investment in Philippine Geothermal Production Co. (PGPC) into APC Group, Inc. The separate listing of the shares of PGPC was not mentioned as an option.

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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