



**INVESTMENTS  
CORPORATION**

Via EDGE

9 June 2016

**PHILIPPINE STOCK EXCHANGE, INC.**

Tower One and Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City

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

**Ms. Dianne Eileen A. Cenidoza**  
*Analyst, Disclosure Department*

**PHILIPPINE DEALING & EXCHANGE CORP.**

37<sup>th</sup> Floor, Tower 1, The Enterprise Center  
6766 Ayala Ave., cor. Paseo de Roxas, Makati City

Attention: **Ms. Vina Vanessa S. Salonga**  
*Head, Issuer Compliance and Disclosure Department (ICDD)*

Dear Ladies:

We reply to your request for clarification on a news article titled “**SMIC to merge retail units**” posted in The Standard (Internet Edition) yesterday, 8 July 2016, the pertinent portion of which reads:

“Conglomerate SM Investments Corp., the holding company of tycoon Henry Sy, said Wednesday it plans to consolidate all retail-related businesses under an umbrella company that will boost retail sales by 16.7 percent to P251 billion from P215 billion before the merger.

SM Investments said in an investor presentation that the merger of all retail-related businesses under SM Retail would add greater diversity and a more extensive footprint to group’s portfolio.

The merger will also be earnings and value accretive and will improve returns, it said.

SM Investments said after the merger, it would (sic) a 77.3-percent interest in SM Retail while the Sy family would continue to own a 22.7-percent stake.

Aside from higher revenues, the combined entity will have 1,927 outlets and 2.4 million square meters of gross floor area across a diverse portfolio of food, household appliances, DIY, furniture, apparel, footwear, pharmaceuticals/cosmetics and specialty retailing stores.

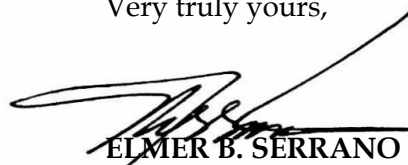
....”

We confirm the news article, which is based on the press release of SM Investments Corporation issued last February 29, 2016. The Philippine Stock Exchange was furnished a copy of the press release on the same day.

We trust we have adequately addressed your request for clarification.

Thank you.

Very truly yours,



ELMER B. SERRANO  
Corporate Secretary