



February 1, 2018

**PHILIPPINE DEALING & EXCHANGE CORP.**  
37/F, 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)*

Re: **PSE Clarification on the news article entitled "SM backs out  
of Goldilocks acquisition, anti-trust body says"**

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Ladies and Gentlemen:

Please be informed that SM Investments Corporation replied to the Philippine Stock Exchange's request for clarification on the news article entitled "SM backs out of Goldilocks acquisition, anti-trust body says" posted in abs-cbnnews.com on February 1, 2018.

See attachment for further information.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Elmer B. Serrano', written over a horizontal line.

**ELMER B. SERRANO**  
Corporate Secretary

Encl. a/s



INVESTMENTS  
CORPORATION

February 1, 2018

**PHILIPPINE STOCK EXCHANGE, INC.**

PSE Tower, 28<sup>th</sup> Street corner 5<sup>th</sup> Avenue,  
Bonifacio Global City, Taguig City

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

Madame:

We reply to your request for clarification on the news article entitled "SM backs out of Goldilocks acquisition, anti-trust body says" posted in abs-cbnnews.com on February 1, 2018, the pertinent portion of which reads:

"MANILA - (UPDATE) SM Retail Inc. has backed out of its planned acquisition of Goldilocks Bakeshop, the head of the country's anti-trust watchdog that reviewed the deal said Thursday.

SM informed the Philippine Competition Commission of its decision in writing, PCC Chairman Arsenio Balisacan told ABSCBN News.

'It's a completely business decision on their part, we're happy we went that far and they cooperation, SM presented their undertaking but at the end of the day they decided not to continue their transaction,' Balicasan said.

After Balisacan's announcement, SM said it agreed with Goldilocks 'not to pursue the transaction given changes in the general business environment.' It did not elaborate.

....

Commissioner Johannes Bernabe of the PCC quoted SM as saying in its notice that the acquisition was called off due to 'commercial' considerations.

...."

Regarding the proposed acquisition by SM Retail of Goldilocks, both SM and Goldilocks have jointly agreed not to pursue the transaction given changes in the general business environment.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Elmer B. Serrano', written over a horizontal line.

**ELMER B. SERRANO**  
Corporate Secretary