



**INVESTMENTS
CORPORATION**

July 11, 2016

PHILIPPINE STOCK EXCHANGE, INC.
Tower One, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: **Mr. Jose Valeriano B. Zuño III**
OIC - Head, Disclosure Department

Ms. Christina Marie C. Fortes
Assistant Manager, Disclosure Department

PHILIPPINE DEALING & EXCHANGE CORP.
37th 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)

Re: **Press Release - SM Obtains SEC Approval for Retail Merger**
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Ladies and Gentlemen:

Please be informed that SM Investments Corporation (SMIC) is releasing to the press the attached statement regarding the Securities and Exchange Commission's approval of the merger of SM Investments Corporation's retail subsidiary, SM Retail, Inc. and affiliates, Forsyth Equity Holdings, Inc., HFS Corporation, Morrison Corporation, San Mateo Bros., Inc. and Tangiers Resources Corp, with **SM Retail, Inc.** as the surviving corporation.

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

PRESS RELEASE

SM Obtains SEC Approval for Retail Merger

(12 July 2016, Pasay City, Philippines) SM Investments reported today that the company has obtained the approval of the Securities and Exchange Commission for the merger of Sy family-owned specialty stores into SM Retail Inc. Under the terms of the deal, over 1,300 retail outlets will be folded into SM Retail in exchange for shares of stock in SM Retail's expanded net assets.

To be merged with SM Retail's food and department stores are a wide ranging portfolio of leading local brands such as Ace Hardware, Watsons, Toy Kingdom, SM Appliances, Our Home, Baby Company, Kultura, Sports Central, Pet Express and other specialty retailers.

The merger is seen to be both value and earnings accretive given the stores' competitive position, synergies with SM Supermalls and strong growth potential.

Macquarie Capital was the appointed advisor of SM Investments for the merger.

About SM Investments Corporation

SM Investments Corporation, founded by entrepreneur Henry Sy, Sr., is one of the country's largest publicly listed companies with a sustainable group of businesses that thrives on synergies of its banking, property and retail operations. SM has grown into one of the most highly respected companies in the country owing to its progressive approach in business and its comprehensive sustainability programs for its host communities through SM Foundation and SM Cares.

SM's retail operations enjoy a strong brand franchise consisting of non-food under THE SM STORE and food under SM Markets comprising of SM Supermarket, SM Hypermarket, and Savemore and other food retail stores under Waltermart and Alfamart. SM's property arm, SM Prime Holdings, Inc., is the largest integrated property developer in the Philippines with interests in malls, residences, offices, hotels and convention centers as well as tourism-related property developments. SM's interests in banking are in BDO Unibank, Inc. (BDO), the country's largest bank and China Banking Corporation (China Bank), the seventh largest bank.

For more about SM, click here: www.sminvestments.com

For further information, please contact:

Ms. Corazon P. Guidote

Senior Vice President for Investor Relations

SM Investments Corporation

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