

September 2, 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 memo dated September 2, 2013, requesting for confirmation on the veracity of the following news articles:

1. "SM eyes power-generation venture" posted in the *BusinessMirror (Internet Edition)* on September 1, 2013. The article reported in part that:

THE SM Group—which is already engaged in power-transmission business—is reportedly interested to venture into the power-generation business, a top executive said last week.

"There are power generation, distribution...what we're interested in is power generation," said SM Investments Corp. Chief Financial Officer Jose Sio said.

The company official said the group wants to be sure if it can engage in both generation and transmission businesses without violating any laws.

"That's the area that we want to resolve. We will see if it is appropriate, if it is legally feasible. What I'm saying is that these are the areas that were interested in. The SM Group [may look at this venture either] this year or next year," Sio added.

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2. "SM Group expanding into tourism, infra" published in the September 1, 2013 issue of *The Philippine STAR*. The article reported in part that:

Mall and banking conglomerate SM Investments Corp. (SMIC) is banking on the distinct advantages and needs of the Philippines for its expansion program.

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The Sy family's investment holding firm is looking for tourism and infrastructure opportunities to go with core business growth expansion, a top company official said.

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We confirm that the SM Group is interested in tourism, infrastructure and energy projects subject to compliance with the existing laws and regulations. This is in response to a query raised during the business forum sponsored by ING and the Economic Journalists Association of the Philippines, last August 28, 2013.

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