

March 31, 2014

**PHILIPPINE STOCK EXCHANGE**

3<sup>rd</sup> 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 March 31, 2014, requesting for confirmation on the veracity of the news article entitled "SMIC eyes consolidation of other operating units" published in the March 31, 2014 issue of The Philippine STAR. The article reported in part that:

"Mall and banking conglomerate SM Investments Corp. (SMIC) is looking at pursuing a consolidation program for its other operating units, particularly those involved in power and infrastructure.

Consolidating assets into a specific company or group will improve the operating units' competitiveness while making them more attractive to investors, an executive said.

'The plan is this: we started with property and we want to consolidate also the banking. The other investments, that can also be consolidated,' said SMIC chief financial officer Jose Sio.

This will allow investors to quickly identify investment opportunities in SMIC companies, be it property, gaming, infrastructure or power, Sio said.

However, Sio said the consolidation will not necessarily result in the creation of a new unit.

....

Moving forward, the conglomerate is looking at combining its energy-related assets.

SMIC earlier said integrating all energy and mining businesses under a single entity like listed APC Group Inc. is an option but the matter is something the group has yet to look at.

...."

We confirm that SM Investments Corporation is looking at proper segmentation of its various operating units. SM started with the segmentation of its property group in 2013. Moving forward, we will also look at the segmentation of its energy and natural resources groups.

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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