March 27, 2015

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 March 27, 2015, requesting for confirmation on the veracity of the news article entitled "SMIC to source 40% of P85B capex to debt" posted in The Manila Times (Internet Edition) on March 26, 2015. The article reported in part that:

> "SM Investments Corp. (SMIC) plans to raise fund for 40 percent of its P85 billion capital-spending program this year a—either through a bank loan or bond issue, Jose Sio, SMIC chief financial officer.
>
> '(The 2015 capital expenditure) is P85 billion. Usually one-third or 40 percent of that will be outside sources. Yes, (it will be) debt,' Sio told reporters at the sidelines of Latham & Watkins 2nd Annual Investment Conference on Wednesday.
>
> 'It will be mainly bonds — debt. Not equity,' Sio said. 'Locally or international, we prefer it local if its debt, any kind of debt (banks or bonds). You have to be fluid, don't stick to one.'
>
> Asked when they will start the fund raising initiatives, Sio said 'as soon as possible' within the year as it will be part of the company's debt management.
>
> 'For us, it is the timing (to raise funds from debt). As long as it is the right time, there's liquidity and low interest rates, then we will (exercise). We don't go out (and do fund raising initiatives) because we need funds. We go out because it's an opportunity for us,' he said.
>
> 'The government regulatory agencies should fix the approval system to expedite the issuances,' Sio said.
>
> . . . .
>
> This year, the company has programmed up to P85 billion for its capital spending, bulk of which will go to its property vehicle SM Prime Holdings Inc.
>
> . . . ."

We confirm the content of the article. However, please note that the financing plan quoted in the article is based on current estimates and as such are subject to change.

Very truly yours,

Franklin C. Gomez
Senior Vice President
Alternate Corporate Information Officer
SM Investments Corporation

Cc: Director Justina Callangan
SEC – Corporate Finance Dept. Head

Ms. Vina Vanessa S. Salonga
PDEX – Issuer Compliance & Disclosure Dept. Head

SM Investments Corporation
10/F OneE-Com Center, Harbor Drive
Mall of Asia Complex, Pasay City 1300, Philippines
Telephone: +63 2 857 0100 Fax: +63 2 857 0132