



**INVESTMENTS
CORPORATION**

22 August 2018

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

Re: **PSE Clarification of the news articles entitled "Sy's
SMIC plans to extend logistics tentacles in buy-in of
Airspeed" and "SM Retail ramping up store
expansion"**

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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 articles entitled "Sy's SMIC plans to extend logistics tentacles in buy-in of Airspeed" and "SM Retail ramping up store expansion", posted in Inquirer.net and bworldonline.com respectively, on August 22, 2018 (Wednesday).

Please 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**

22 August 2018

PHILIPPINE STOCK EXCHANGE, INC.
3rd Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

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

Re: **Clarification on News Reports - "Sy's SMIC plans to
extend logistics tentacles in buy-in of Airspeed" and
"SM Retail ramping up store expansion"**
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Ladies and Gentlemen:

We reply to your request for clarification on the following news articles:

1. "Sy's SMIC plans to extend logistics tentacles in buy-in of Airspeed", posted in *Inquirer.net* on August 22, 2018 which reported in part that:

"The country's largest conglomerate SM Investments Corp. (SMIC) is in talks to invest in Airspeed International Corp., a freight forwarding and e-commerce enterprise, as part of its expansion in the logistics space.

Industry sources said Sy family-led SMIC was keen on acquiring at least 35 percent of Airspeed, which has been operating in over three decades.

'It was just an investment opportunity,' a spokesperson from SMIC said yesterday.

In a separate interview, Airspeed founder and president Rosemarie Rafael confirmed 'serious' discussions with SMIC were ongoing but stressed nothing had been finalized yet.

'It's almost there but there's nothing final yet,' Rafael said when asked about SM's prospective investment, adding there was another group wooing Airspeed.

....”

2. “SM Retail ramping up store expansion”, posted in *bworldonline.com* on August 22, 2018 which reported in part that:

“SM Retail, Inc. aims to grow the number of stores under its portfolio to 3,000 within the next five years, banking on the increasing spending power of Filipinos alongside the growing economy.

SM Retail Director Jorge T. Mendiola said the company is open to adding more specialty retail brands under its network when the opportunity arises.

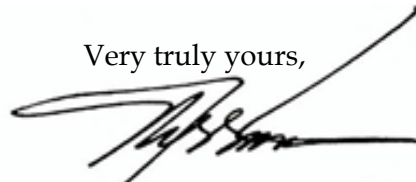
Asked when the company targets to hit the 3,000-store mark, Mr. Mendiola told reporters on Aug. 9: ‘Hopefully soon, probably in the next five years or so. We’re in that mode right now for expansion.’

....”

We confirm that we are in discussion with Airspeed to acquire a minority stake in the company. We also confirm the statement of SM Retail’s Director Jorge Mendiola regarding the Company’s (SM Retail) expansion plans.

Thank you.

Very truly yours,



ELMER B. SERRANO
Corporate Secretary