

3rd Quarter 2012 Media and Analyst Briefing

8 November 2012

CREATING VALUE AT ALL TIMES

CORE BUSINESSES

Retail Operations
Mall Operations
Banking
Property
Hotels & Conventions

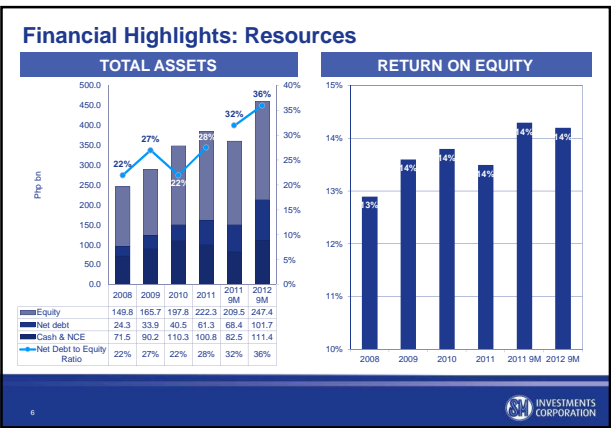
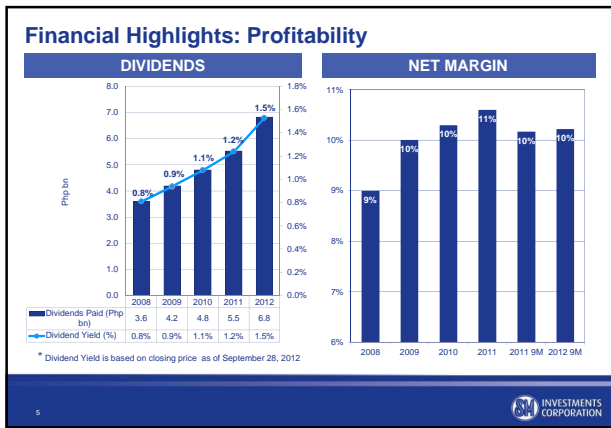
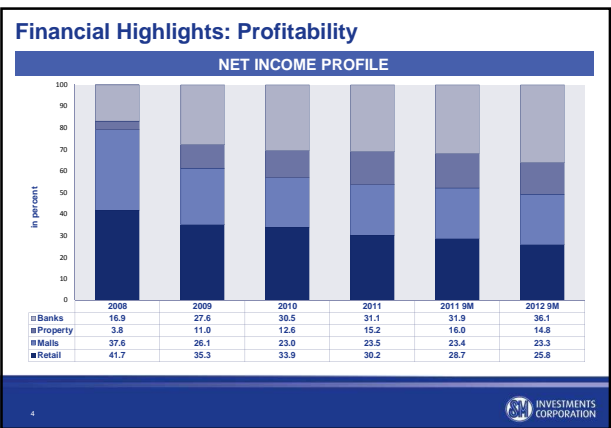
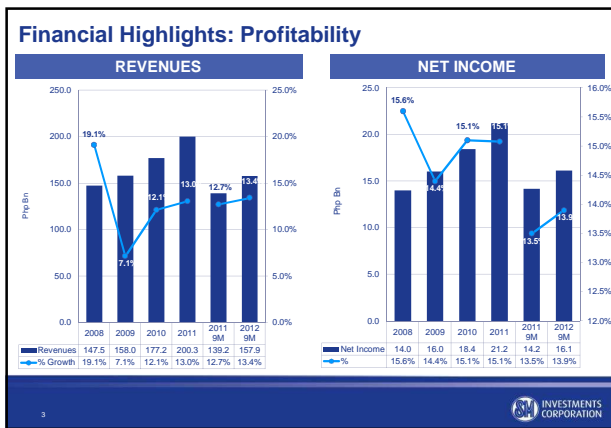
SM RETAIL INC.
49% SM PRIME HOLDINGS, INC.
47% BANCO DE ORO
21% CHINA BANKING CORP.
67% SM LAND, INC.
100% SM HOTELS AND CONVENTIONS

85% SM DEPART. MGT. STORE
100% SM SUPER MARKET
100% SM HYPER MARKET
100% SM SAVE MORE

COMMERCIAL
RESIDENTIAL
LEISURE
67% COMMERCIAL PROPERTIES GROUP
44% SM ADULT CORPORATION
27% HIGHLANDS PRIME INC.
100% COSTA DEL MAR INC.

* Effective Ownership of SM Investments

2



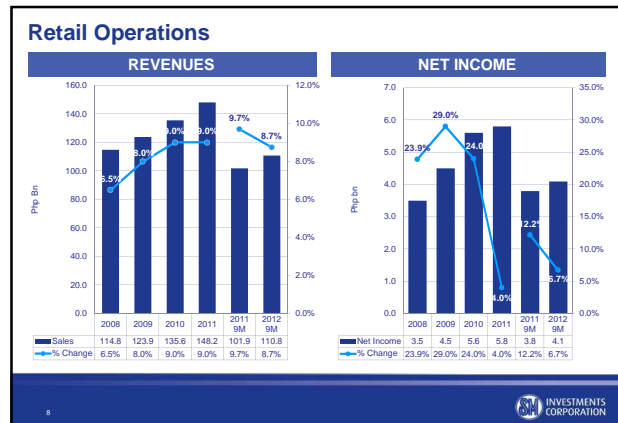


Retail Operations

- First 9 months 2012 sales grew 8.7% to Php110.8bn
- Net income also grew 6.7% to Php4.1bn
- Added 25 new stores for a total of 193 stores nationwide

INVESTOR PRESENTATION

SM INVESTMENTS CORPORATION



SM Investments Corporation Overall Retail Results

	Jan-Sep 2012	Jan-Sep 2011	% change
Sales (Pbp Bn)	110.8	101.9	8.7%
Net Income (Pbp Bn)	4.1	3.8	6.7%
Net Margin	3.7%	3.7%	--
Return on Equity	49.3%	30.7%	--

	Current No. of Stores	No. of New Stores Opened from Jan 2012	Total No. of Stores as of End 2011	Selling Area (in sqm)	Ave. Selling Area (in sqm)
SM Department Store	46	5	41	619,950	13,477
SM Supermarkets	37	4	33	168,080	4,543
SM SaveMore	76	12	64	124,573	1,639
SM Hypermarket	34	4	30	187,511	5,515
Total	193	25	168	1,100,114	--

Data as of Sep 30, 2012

INVESTOR PRESENTATION

SM INVESTMENTS CORPORATION



Mall Operations

- First 9 months 2012 consolidated revenues grew 15% to Php22.1bn
- Consolidated net income increased by 15% to Php7.4bn
- Total of 50 malls in the Philippines and China

INVESTOR PRESENTATION

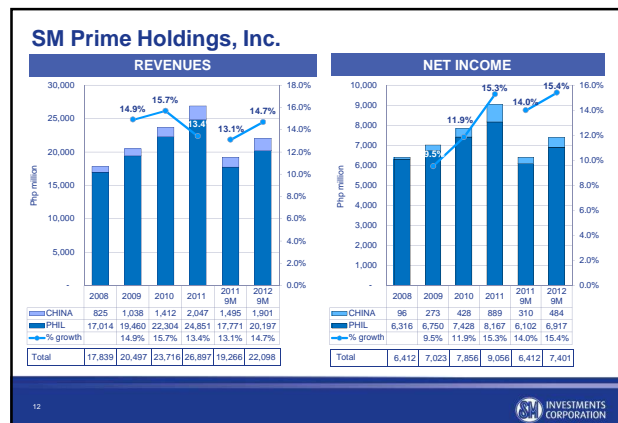
SM INVESTMENTS CORPORATION

SM Malls Trivia

Total Gross Floor Area Philippines: 5.5 million sqm China: 0.6 million sqm		Mall Tenants Philippines: 13,960 China: 1,553
Movie Screens Philippines: 249 China: 30	Average Daily Pedestrian Count Philippines: 3.5 million China: 0.2 million	Malls Philippines: 46 China: 4
Food Court Seats Philippines: 24,950 China: 1,800	Parking Slots Philippines: 58,678 China: 4,958	Cinema Seats Philippines: 131,258 China: 4,964

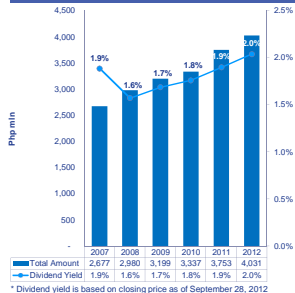
INVESTOR PRESENTATION

SM INVESTMENTS CORPORATION

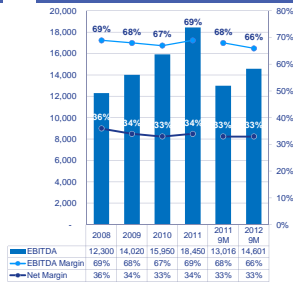


SM Prime Holdings, Inc.

DIVIDENDS



MARGINS

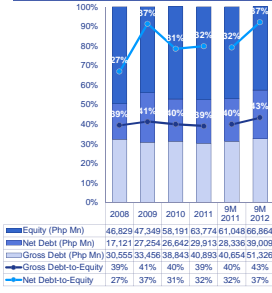


13

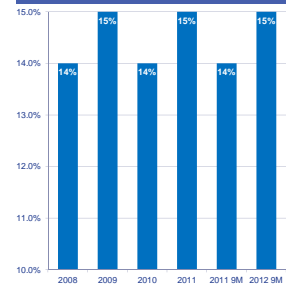


SM Prime Holdings, Inc.

DEBT RATIOS



RETURN ON EQUITY



14



Philippine Malls

Area	Number of Malls	GFA (sqm)	% of Total GFA
NCR	16	2,697,561	49%
Luzon	22	1,828,077	33%
Visayas	4	558,798	10%
Mindanao	4	455,649	8%
Grand Total	46	5,540,085	100%



15



2012 Expansion Program: Philippines

		GFA (sq.m.)
Feb 2012	SM Olongapo	47,426
Jun 2012	SM Consolacion	106,857
July 2012	SM San Fernando	42,625
Aug 2012	SM General Santos	88,106
Sept 2012	SM Lanang Davao	144,000
	Total	429,014
End 2012	Number of Malls	46
	Expanded GFA	5.5 M (+10%)
	Estimated Capex	Php14bn



16



China Malls



Existing	Address	Yr/Month Opened	GFA (sqm)
SM Xiamen	Xiamen City, Fujian Province	2001 December	128,203
Lifestyle Center		2009 October	109,922
Jinjiang	Quanzhou City, Fujian Province	2005 November	167,830
Chengdu	Chengdu City, Sichuan Province	2006 October	166,665
Suzhou	Wuzhong District, Suzhou, Jiangsu Province	2011 September	72,552

17



SM China

- SM Prime's emerging business in China translates to strong growth both in revenues and net income.
- SM Prime plans to open one mall per year in second and third tier cities
- Largest SM mall under construction in Tianjin with a GFA of 540,000 sqm
- The average occupancy rate for the four malls in China is now at 96%

(In Php million)	Jan-Sep '12	Jan-Sep '11	% Chg.
Revenues	1,901	1,495	27%
Operating Expenses	1,132	879	29%
Income from Operations	769	616	25%
Net Income after Tax	484	310	56%
EBITDA	1,122	945	19%
EBITDA margin	59%	63%	--
Operating margin	40%	41%	--
Net margin	25%	21%	--

18



SM China Expansion Program

Opening		GFA (sq.m.)
2H2012	Chongqing	150,000
2H2014	Zibo	154,000
2H2014	Tianjin	540,000
	Total GFA	844,000
	Est. CAPEX in 2012	Php8.4bn
End 2014	Number of Malls	7
	GFA (in sq. m.)	1.5 mn(+160%)



19

INVESTMENTS CORPORATION

Banking Operations

- 9 months 2012 net income increased 38% to Php10.5bn
- BDO continues to be the largest Philippine bank in terms of assets, loans and deposits

INVESTOR PRESENTATION

BDO Unibank

Financial Highlights	9M '12 (Php bn)	9M '11 (Php bn)	% Chg
Net Interest Income	26.8	25.7	4%
Other Income	18.9	15.3	23%
Net Income	10.5	7.6	38%
Deposits	859.9	820.6	5%
Gross Customer Loans	724.1	620.8	17%
ROE (%)	11.3%	11.5%	--
NPL (%)	3.1%	3.9%	--
CAR (%)	20.3%	15.2%	--

Business Strategy

- Create operating leverage for businesses to achieve scale advantage that is backed by
 - A superior brand
 - Broad market coverage
 - Effective technology
- Prudent balance sheet management to withstand economic cycles through
 - Conservative provisioning
 - Sound capital management

21

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Property Development

- 9 months 2012 real estate revenues surged 36% to Php19.3bn
- Net income grew by 11% to Php4.2bn

INVESTOR PRESENTATION

INVESTMENTS CORPORATION



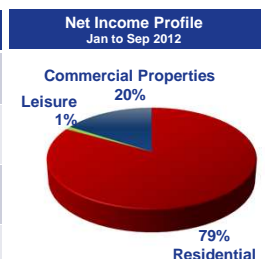
23

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SM Land Inc.

(Php billion)	Jan-Sep 2012	Jan-Sep 2011	% Chg
Revenues from Real Estate	19.3	14.2	36%
Net Income from Real Estate	3.9	3.9	2%
Consolidated Net Income	4.2	3.8	11%
Net Margin (%)*	22%	26%	--

*Based on consolidated Net Income



24

INVESTMENTS CORPORATION



SM DEVELOPMENT CORPORATION

- Real estate revenues grew by 42.7% in the first 9 months of 2012
- Net income increased by 5.7% to Php3.3bn

INVESTOR PRESENTATION

SM Development Corp.

(Php billion)	Jan-Sep 2012	Jan-Sep 2011	% Chg
Revenues from Real Estate	16.1	11.3	43%
Net Income from Real Estate	3.1	3.0	3%
Consolidated Net Income	3.3	3.1	6%
Net Margin (%)	20%	27%	--

*Based on consolidated Net Income

- Asset base expanded 33.6% to Php70.6bn
- Strong balance sheet with gearing at a ratio of 23% net debt to 77% equity
- Return on equity maintained at 12%

26

SM INVESTMENTS CORPORATION

SM Development Corporation Project Profile

Total Projects to date since 2005	18
Completed	4
Ongoing	14
Upcoming (2012)	3
Total Number of Units Made Available for Sale	48,892
Total Number of Units Sold	39,677
Per cent Sold	81%
Number of Units Sold – 9M 2012	10,613
Landbank	137 hectares



SM RESIDENCES
in prime locations
Five-star homes, now AFFORDABLE.

the brand
for residential condominium projects
by SM Development Corporation.

27

SM INVESTMENTS CORPORATION

Commercial Properties Group

- Demand for office space from BPO companies remains reasonably strong
- ThreeE-Com Center now under construction for completion in Q4 2014

(In Php million)	Jan-Sep 2012	Jan-Sep 2011	% Chg
Revenues	2,230	1,716	30%
Operating Expenses	148	168	-12%
Income from Operations	987	773	28%
Net Income	835	633	32%

28

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Commercial Properties

	SM Cyber Baguio Harrison Rd. Baguio City Year completed: 2008 GFA: 12,990 sqm		OneE-com Center MOA Complex Pasay City Year completed: 2007 GFA: 100,035 sqm
	SM Cyber Makati One Sen. Gil Puyat Ave., Makati City Year completed: 2008 GFA: 18,790 sqm		TwoE-com Center MOA Complex Pasay City Year completed: 2012 GFA: 107,862 sqm
	SM Cyber Makati Two Sen. Gil Puyat Ave., Makati City Year completed: 2008 GFA: 16,725 sqm		ThreeE-com Center MOA Complex Pasay City Target completion: 2Q2015 GFA: 126,907 sqm
	SM Cyber West Avenue EDSA cor. West Ave., Quezon City Target completion: 4Q2013 GFA: 42,892 sqm	Current GFA	256,402 sqm.
		GFA by end 2014	299,294 sqm.

29

SM INVESTMENTS CORPORATION

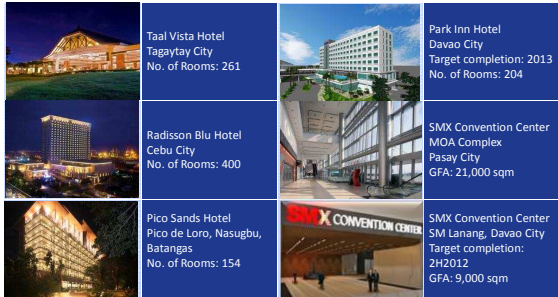
Hotels & Conventions

- 1,019 hotel rooms by 2013
- 24,000 sqm of leasable convention and exhibit space

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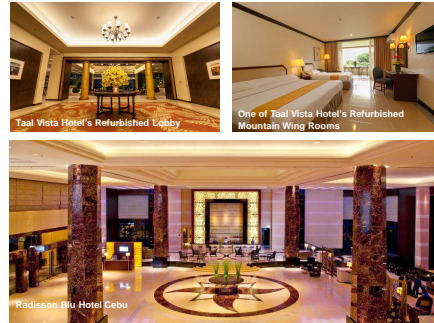
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SM Hotels and Conventions

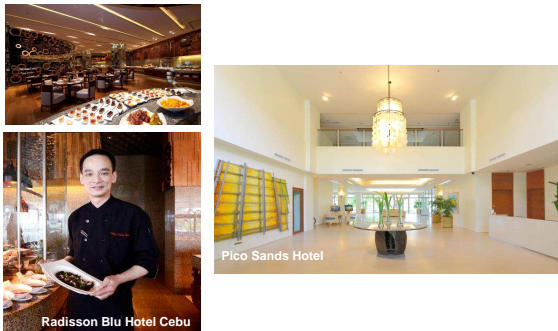


31

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SM INVESTMENTS CORPORATION



SM INVESTMENTS CORPORATION

Park Inn by Radisson Davao to open in Q1 2013



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SM INVESTMENTS CORPORATION

SM FOUNDATION, INC.

Education Advocacy	Health Advocacy	Livelihood Advocacy	Operation Tulong
To Date from Inception			
<ul style="list-style-type: none"> 1,500 Graduates 1,200 Current Scholars 420 Honor Students 	<ul style="list-style-type: none"> 725 Medical Missions 588,909 Beneficiaries 	<ul style="list-style-type: none"> 46 Farmers Trainings 5,325 Graduates 	<ul style="list-style-type: none"> 54,200 Families Served

30

SM INVESTMENTS CORPORATION



We are proud of you!

CONGRATULATIONS TO SM FOUNDATION SCHOLARS
Topnotchers of Certified Public Accountants (CPA) Board Exams 2012



WAYKORIE A. DEPAYSO
 Saint Louis University

TOPNOTCHER
Top 3



MARC RODOLF B. ARCA
 University of the East - Manila

TOPNOTCHER
Top 4



JANNEN B. BARONA
 University of the East - Manila

TOPNOTCHER
Top 6



BRYAN B. ABANILLA
 Marikina City College



TOPNOTCHER
Top 9


They are among the 1,500 scholars that have graduated with the support of the SM Foundation's education program. Through its scholarship unit, it supports promising students who have no means of achieving higher education. At any one time, the SM Foundation maintains 1,200 bright college scholars coming from different provinces and municipalities nationwide and who are enrolled in various courses in 30 universities and colleges, thus ensuring that they will have a better life.

Interested applicants may apply at the customer service counters of the SM Supermalls, SM Department Stores, SM Supermarkets and Save More Markets.

Companies who are interested to support scholars with SM Foundation can call 831-8282 or 552-7013 or email education@sm-foundation.org






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**CREATING VALUE
AT ALL TIMES**



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