



**INVESTMENTS
CORPORATION**








We Build to Serve Millions

Third Quarter 2013
Media and Analyst Briefing

November 2013




Financial Highlights: Profitability

REVENUES

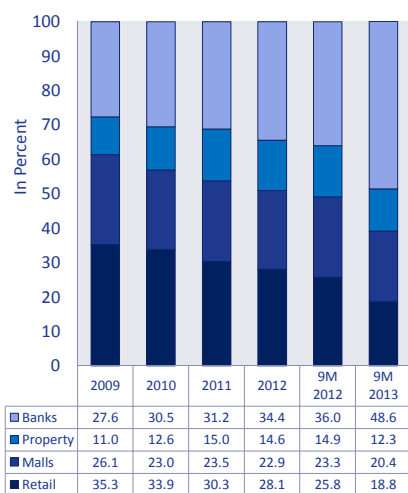


NET INCOME

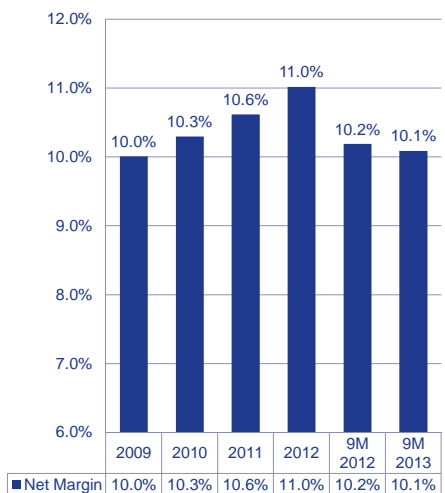


Financial Highlights: Profitability

NET INCOME PROFILE

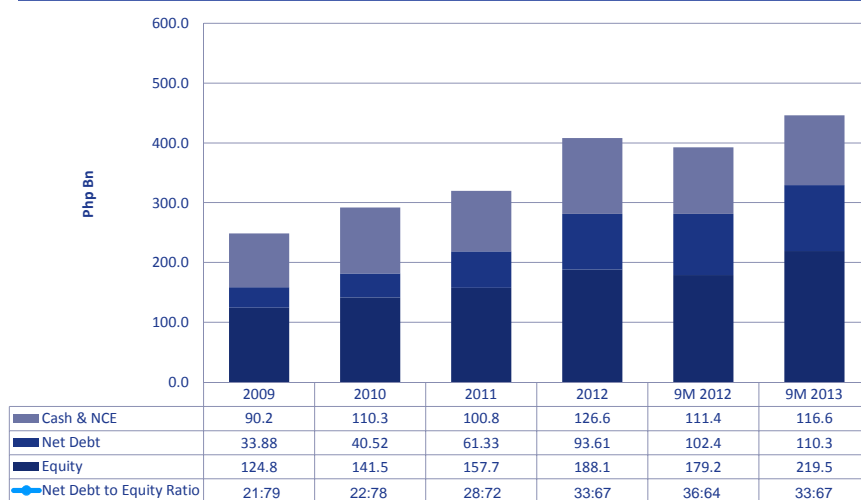


NET MARGIN



Financial Highlights: Resources

TOTAL ASSETS



Retail Operations

- First nine months' revenues rose 13% to Php125 billion
- Net income of Php4 billion, down slightly by 1.3%
- 233 stores nationwide



Overall Retail Results

	Jan-Sep 2013	Jan-Sep 2012	% Change
Sales (Php bn)	125	111	13.0%
Net Income (Php bn)	4.0	4.1	-1.3%
Net Margin	3.2%	3.7%	--
Return on Equity	44.7%	53%	--

	No. of Stores as of Sep 2013	No. of New Stores Jan to Sept 2013	No. of Stores as of End 2012
SM Department Store	47	1	46
SM Supermarkets	38	1	37
SM SaveMore	89	11	78
SM Hypermarket	38	1	37
Walter Mart	21	1	20
Total	233	15	218



Banking

BDO Unibank

- BDO Jan-Sep net income grew 73% to Php18.2 billion
- Gross loans rose 17% and deposits increased 40%
- Capital adequacy ratio of 17.1%

China Bank

- Recent acquisition of Plantersbank to enhance China Bank's position in SME market and expand its branch network

BDO Unibank

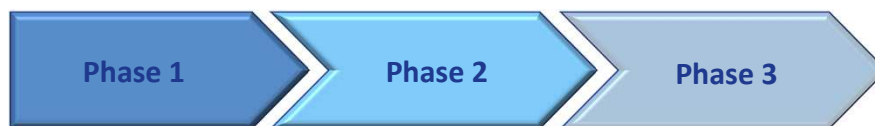
Financial Highlights	9M '13 (Php bn)	9M '12 (Php bn)	% Change
Net Interest Income	31.0	26.8	15.8%
Other Income	25.8	18.9	36.4%
Net Income	18.2	10.5	72.7%
Assets	1,508.1	1,174.2	28.4%
Deposits	1,202.8	859.9	39.9%
Gross Customer Loans	846.4	724.1	16.9%
Net Interest Margin (%)	3.3%	3.4%	--
Cost to Income Ratio (%)	56.5%	65.0%	--
ROE (%)	15.2	11.3%	--
Loans to Deposits Ratio (%)	70.4%	84.2%	--
Gross NPL (%)	2.7%	n.a.	--
CAR (%)	17.1%	20.3%	--
Tier 1	15.3%	10.1%	--
Tier 2	1.8%	5.1%	--

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



The Merger nearing completion



- August 12: Exchange offer was completed
- Nov 5: SMDC & HP was subsequently delisted from the Philippine Stock Exchange
- July 10: Received shareholders approval
- Oct 10: Received SEC approval
- 1st Q 2014: Estimated completion period of transfer

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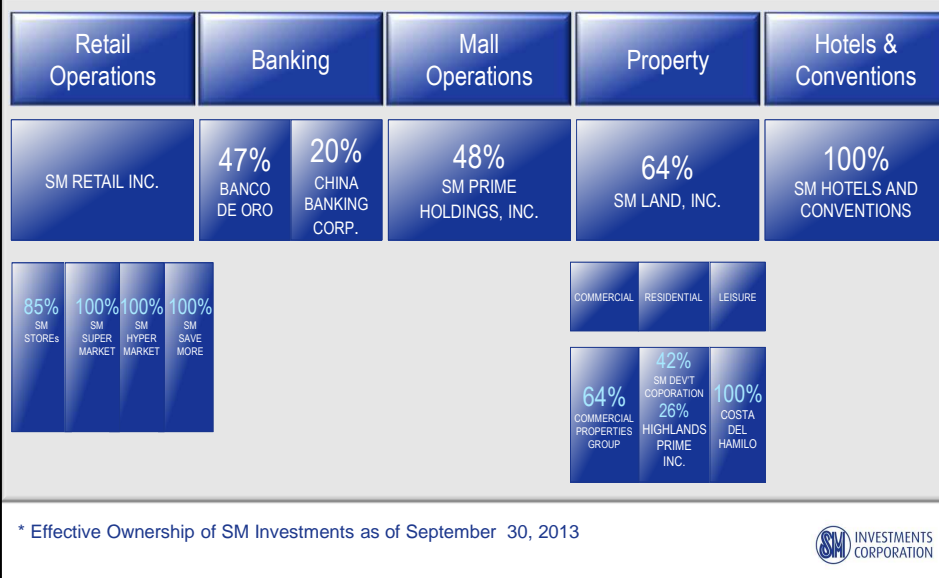
The Enlarged SM Prime



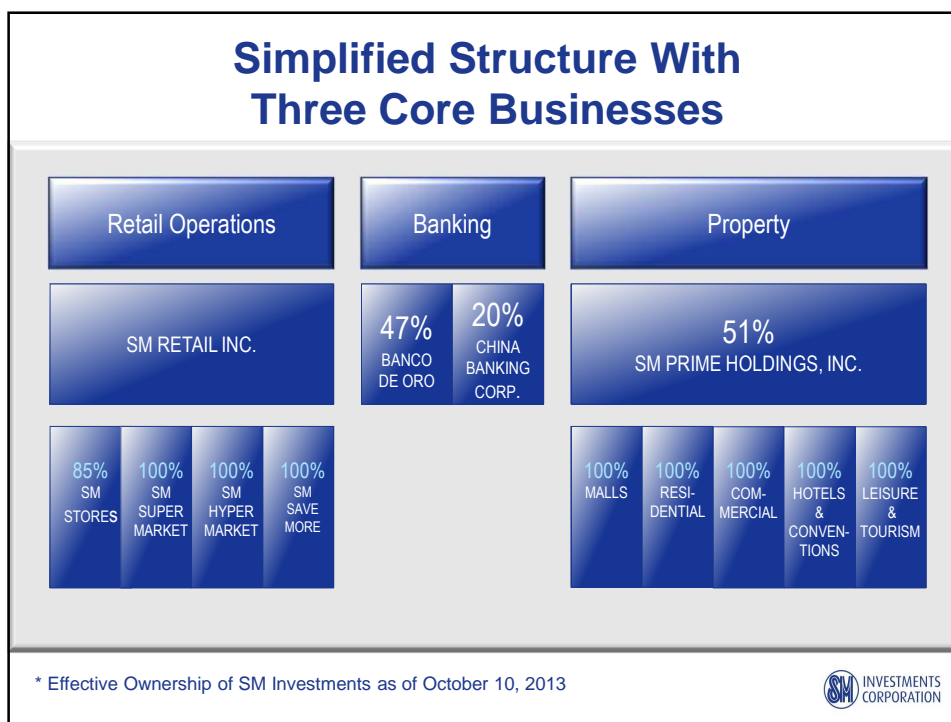
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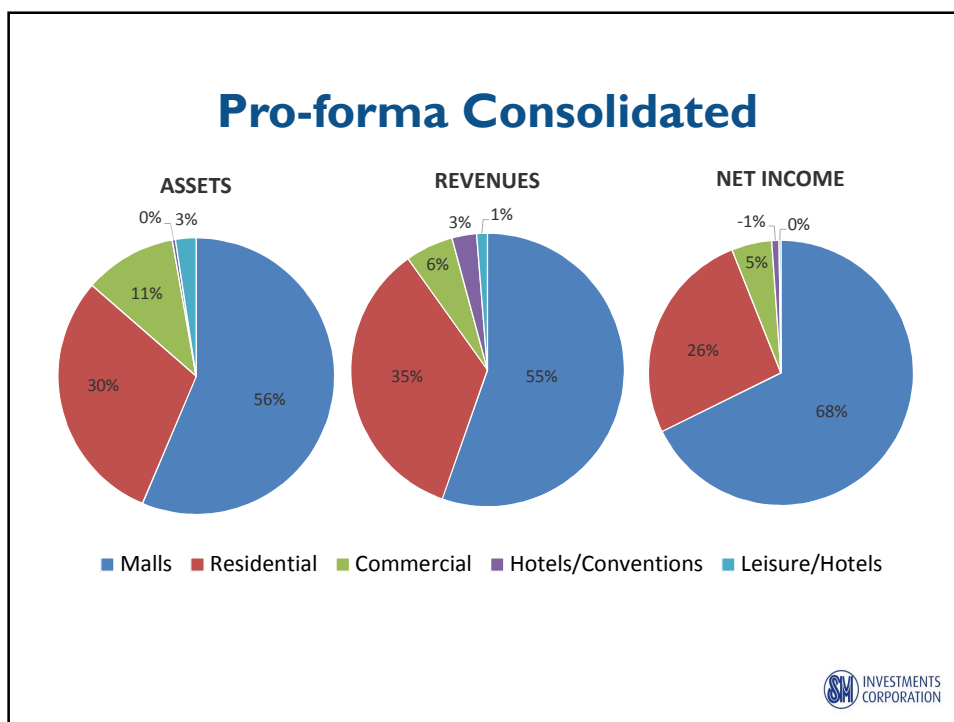
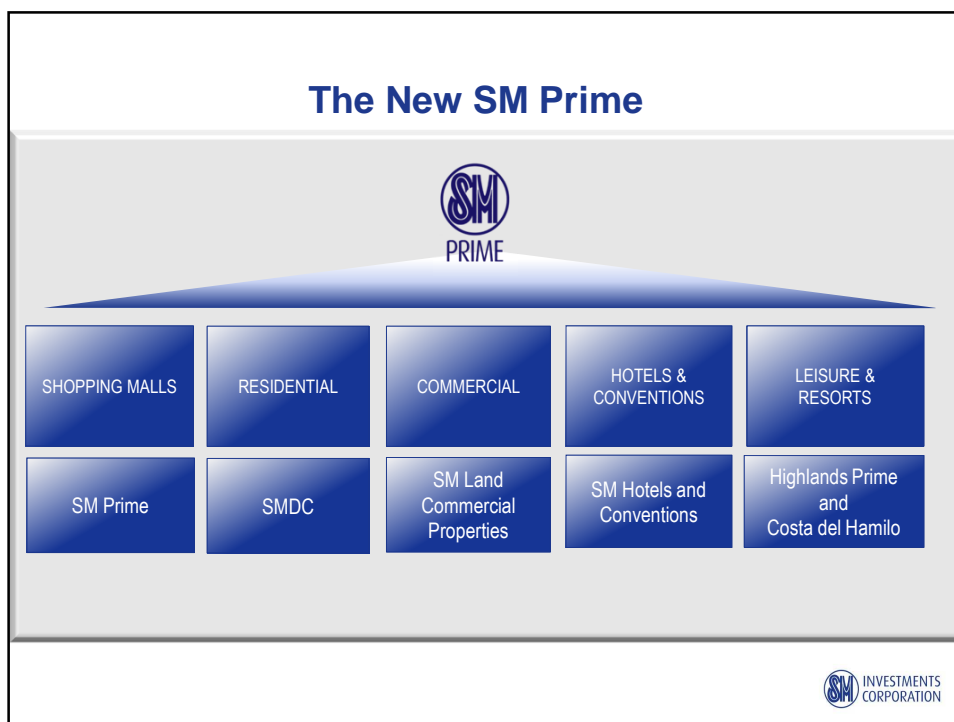


Old Structure with Five Core Businesses



Simplified Structure With Three Core Businesses







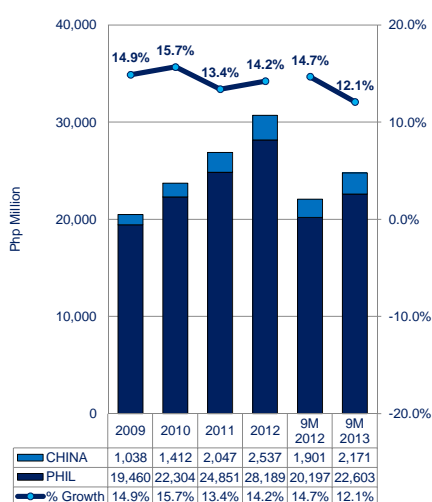
Mall Operations

- Revenues for the first nine months of 2013 increased by 12.1% to Php24.8 billion
- Jan-Sep 2013 net income grew 13.9% to Php8.4 billion
- Total of 52 malls with 47 in the Philippines and five in China

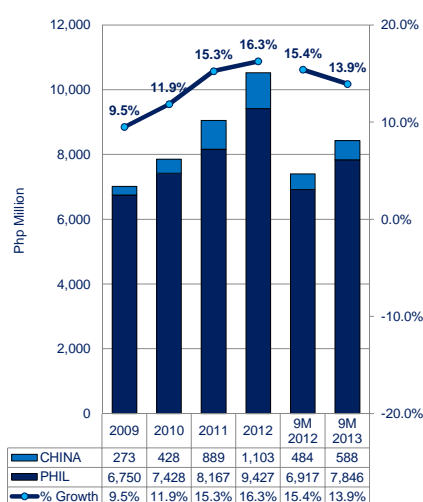


SM Prime Holdings, Inc.

REVENUES

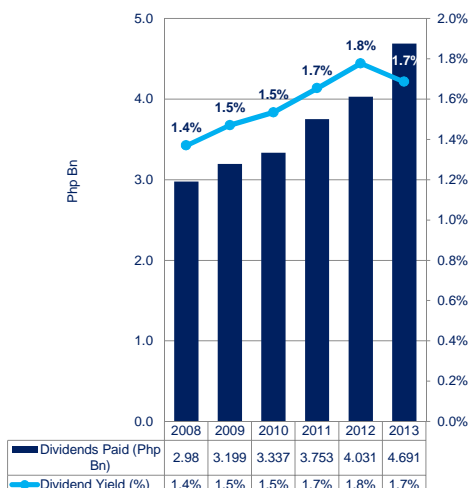


NET INCOME



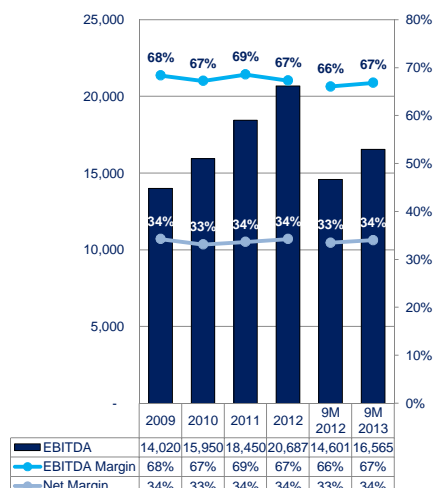
SM Prime Holdings, Inc.

DIVIDENDS



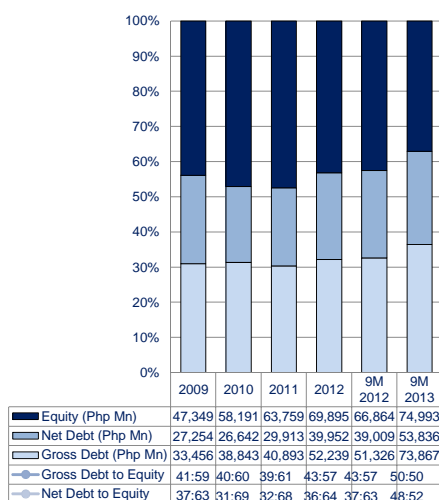
* Dividend yield is based on closing price as Sep 30, 2013

MARGINS

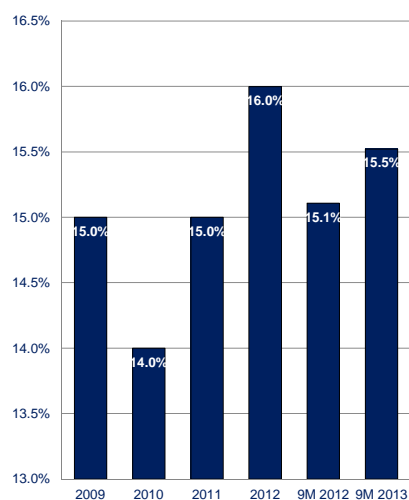


SM Prime Holdings, Inc.

DEBT RATIOS



RETURN ON EQUITY



Philippine Malls

Area	Number of Malls	GFA (sqm)	% of Total GFA
NCR	17	3,051,217	51%
Luzon	22	1,942,613	32%
Visayas	4	554,998	9%
Mindanao	4	485,229	8%
Grand Total	47	6,034,058	100%



SM INVESTMENTS CORPORATION

2013 Expansion Program: Philippines

Opening		GFA (sqm)
May 2013	SM Aura (Taguig)	234,892
2H 2013	SM BF Parañaque	120,200
Expansion		
2H 2013	SM Megamall Building D	101,000
	Total	456,092
End 2013	Number of Malls	48
	Expanded GFA	6.3 mn sqm (+8%)
	Estimated Capex	Php23bn



SM INVESTMENTS CORPORATION

2014 Expansion Program: Philippines

Opening		GFA (sqm)
2H 2014	SM Cauayan	94,386
2H 2014	SM Angono	33,094
Expansion		
2H 2014	SM Bacolod	133,894
2H 2014	SM Lipa	34,437
	Total	295,811
End 2014	Number of Malls	50
	Expanded GFA	6.6 mn sqm (+5%)
	Estimated Capex	Php23bn



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 first three malls in China is now at 93%

(In Php million)	Jan-Sep 2013	Jan-Sep 2012	% Change
Revenues	2,171	1,901	14.2%
Operating Expenses	1,281	1,132	13.1%
Income from Operations	890	769	15.8%
Net Income after Tax	588	484	21.5%
EBITDA	1,1243	1,126	10.4%
EBITDA margin	57%	59%	--
Operating margin	41%	40%	--
Net margin	27%	25%	--



SM China Expansion Program

Opening		GFA (sqm)
2H 2014	Zibo	154,000
2015	Tianjin	540,000
	Total GFA	694,000
	Est. CAPEX in 2013	Php18bn
End 2015	Number of Malls	7
	GFA in 2015 (in sqm)	1.5 mn (+87%)



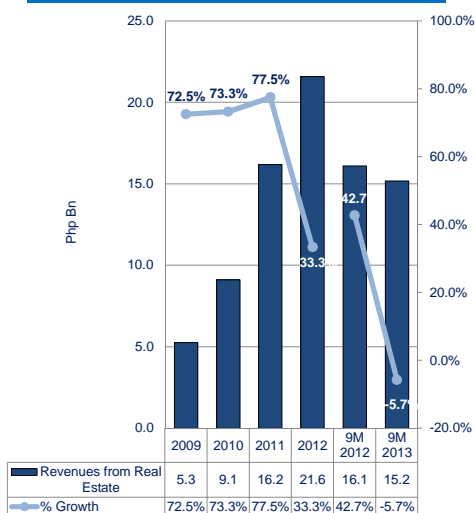
Residential

- SMDC net income of Php3.3 billion in Jan-Sep 2013
- Fourteen ongoing residential condominium projects predominantly in Metro Manila
- Two new projects planned for Q4 2013

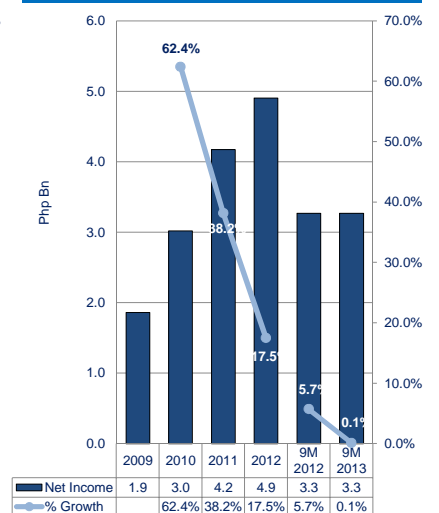


SM Development Corporation

REVENUES



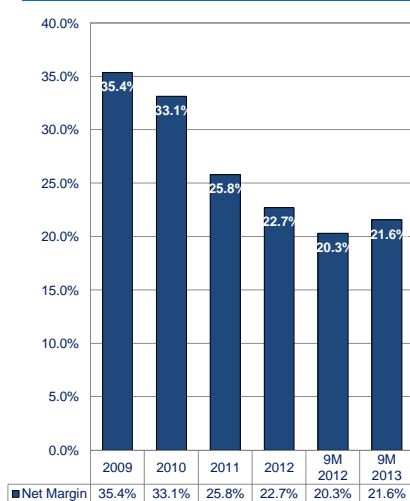
NET INCOME



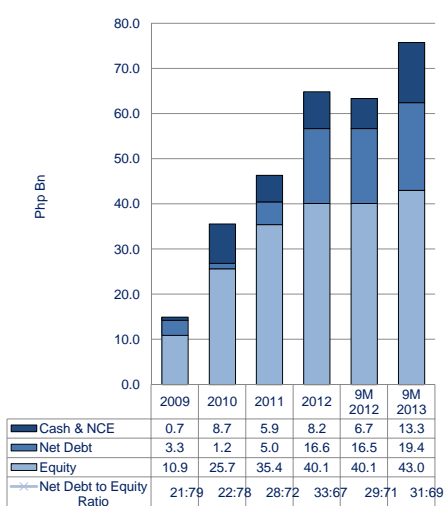
SM INVESTMENTS CORPORATION

SM Development Corporation

NET MARGIN



TOTAL ASSETS



SM INVESTMENTS CORPORATION

Projects and Landbank Profile

Projects Overview		Landbank (hectares)		% of Total
• Completed	5	Outside Metro Manila	92.2	69.3%
• Ongoing	14	Metro Manila	63.8	30.7%
• Upcoming (Q4 2013)	2			
• Total Units Made Available since 2005	55,823			
• Total Units Sold since 2005	45,215			
• % Sold	81%			
• New Units 2013	10,659			
• Units Sold in 9M 2013	6,407			
• 2013 Capex	P 20.2 bn			
• Projects	P 12.9 bn			
• Landbanking	P 7.3 bn			
		Total Landbank	133.1	100%



Completed Projects



Grass Ph1 (T1)
Quezon City



Mezza
Quezon City



Berkeley
Quezon City



Sea
Pasay



Princeton
Quezon City



Chateau Elysee
Parañaque



Field (B1, B2, B3, B8)
Parañaque

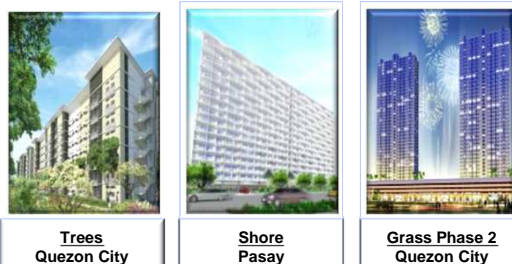


Ongoing Projects



New Projects and Expansions for 2013

NEW
(3 Projects)



EXPANSION
(3 Towers)



Office Developments

	SM Cyber Baguio Harrison Rd. Baguio City Year completed: 2008 GFA: 13,285 sqm		OneE-com Center MOA Complex Pasay City Year completed: 2008 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: 125,000 sqm
	SM Cyber West Avenue EDSA cor, West Ave., Quezon City Target completion: 4Q2013 GFA: 42,892 sqm	Current GFA 256,697 sqm GFA by end 2014 299,589 sqm	



CSR through SM Foundation

Education Advocacy	Health Advocacy	Livelihood Advocacy	Operation Tulong
2013 Performance			
<ul style="list-style-type: none"> • 225 Graduates • 1,300 Scholars • 92 Honor Students • 12 classrooms 	<ul style="list-style-type: none"> • 68 Medical Missions • 72,766 Beneficiaries 	<ul style="list-style-type: none"> • 14 Farmers Trainings • 1,248 Graduates 	<ul style="list-style-type: none"> • 39,780 Families Served
Performance to Date			
<ul style="list-style-type: none"> • 1,700 Graduates • 3,000 Scholars • 534 Honor Students • 136 classrooms 	<ul style="list-style-type: none"> • 807 Medical Missions • 691,420 Beneficiaries • 82 Felicidad Sy Wellness Centers 	<ul style="list-style-type: none"> • 61 Farmers Trainings • 6,669 Graduates 	<ul style="list-style-type: none"> • More than 100,00 families served



