

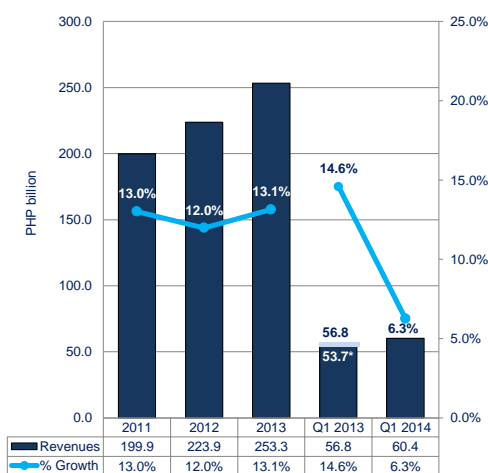


First Quarter 2014 Investor and Analyst Briefing May 2014



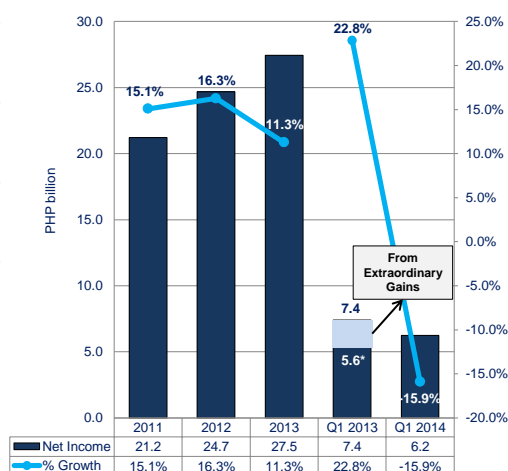
Profitability

REVENUES



*Revenues excluding extraordinary items growth of 12.4%

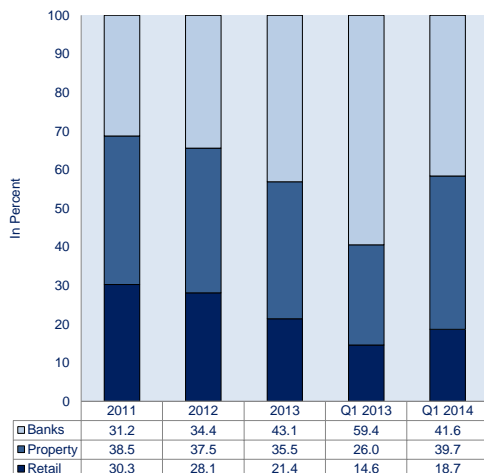
NET INCOME



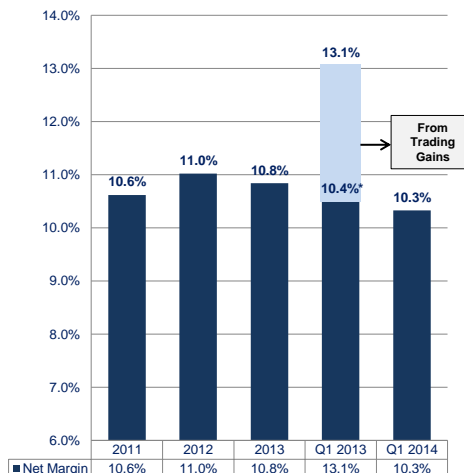
*Net income excluding extraordinary items growth of 11.2%

Profitability

NET INCOME PROFILE



NET MARGIN



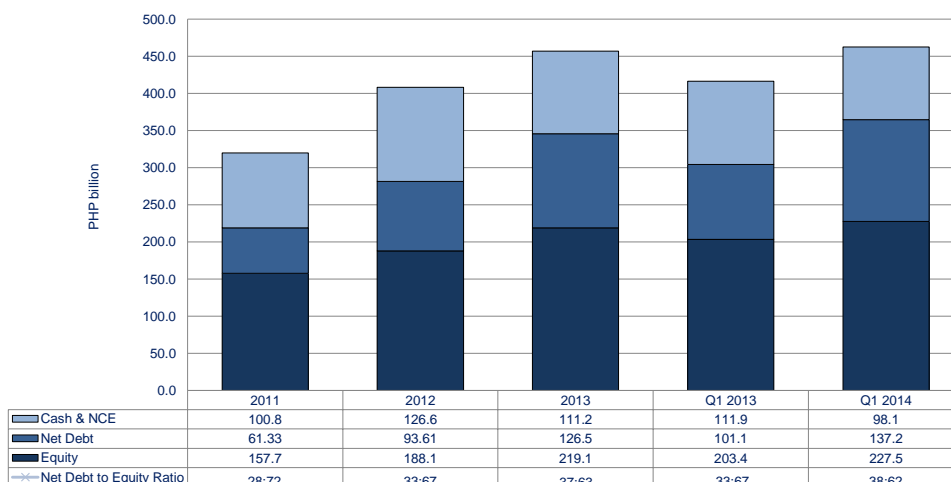
*Net margin excluding extraordinary items



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Financial Resources

TOTAL ASSETS



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Retail Operations

- Q1 2014 revenues rose 16% to PHP42.2 billion
- Net income rose 4% to PHP1.2 billion
- 245 stores nationwide



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Overall Retail Results

	Q1 2014	Q1 2013	% Change
Sales (PHP billion)	42.2	36.2	16%
Net Income (PHP billion)	1.2	1.2	4%
Net Margin	3.0%	3.3%	--
Return on Equity	24.3%	24.5%	--

	Current No. of Stores as of Mar 2014	No. of New Stores Opened since Mar 2013	Total No. of Stores as of Mar 2013	Selling Area (in sqm)	Ave. Selling Area (in sqm)
SM Department Store	48	2	46	417,526	8,698
SM Supermarkets	39	2	37	174,347	4,470
SM SaveMore	96	15	81	162,851	1,696
SM Hypermarket	40	3	37	202,664	5,067
Walter Mart	22	1	21	52,437	2,384
Total	245	23	222	1,009,825	--

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Food Retail Strategy

We aim to maintain leadership in growing the Philippines organized retail market, using multiple formats to grow

- **Broad customer base reflects growing market opportunity** – ABC income levels in rural and urban areas and all regions, reflecting large market opportunity as the organized sector is created
- **Strong competitive point of difference** – through broad product and service range and overall customer in-store experience; plus Mall synergies
- **Competitive advantages** – in scale, distribution and branding
- **Price competitive** – not necessarily price leader, conscious of protecting margins
- **Multiple store formats** – allow us to meet the different needs of our target segments and to achieve greater penetration of existing markets
- **Strategic partnerships** – create accelerated growth opportunities in underpenetrated regions and in untapped rural market by forging partnership with strong domestic and foreign players (e.g. CityMalls, WalterMart)



Banking

BDO Unibank

- Net income down 46% to PHP5.5 billion, up 31% excluding extraordinary gains in Q1 2013
- Gross loans increased 23%
- Deposits increased 45%



BDO Unibank

Financial Highlights	Q1 '14 (PHP bn)	Q1 '13 (PHP bn)	% Change
Net Interest Income	12.2	9.6	27%
Non Interest Income	7.0	13.3	-47%
Net Income	5.5	10.0	-46%
Assets	1,645.3	1,240.4	33%
Deposits	1,334.4	920.2	45%
Gross Customer Loans	956.4	777.9	23%
Net Interest Margin (%)	3.1%	3.3%	--
Cost to Income Ratio (%)	61.9%	46.0%	--
ROE (%)	13.2%	24.6%	--
Loans to Deposits Ratio (%)	71.7%	84.5%	--
Gross NPL (%)	1.8%	2.8%	--
CAR (%)	14.8%	19.9%	--
Tier 1	13.9%	16.0%	--
Tier 2	1.0%	3.9%	--

Business Strategy

- Diversified and sustainable earning stream
 - Focused loan growth and branch expansion
 - Steady stream of recurring income
- Operating leverage
 - Strong branding
 - Broad market coverage
 - Effective use of technology for scale and reach
- Prudent balance sheet management
 - Continued provisioning for next downturn
 - Reduction of non-performing assets
 - Sound capital management to support growth



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Property Group



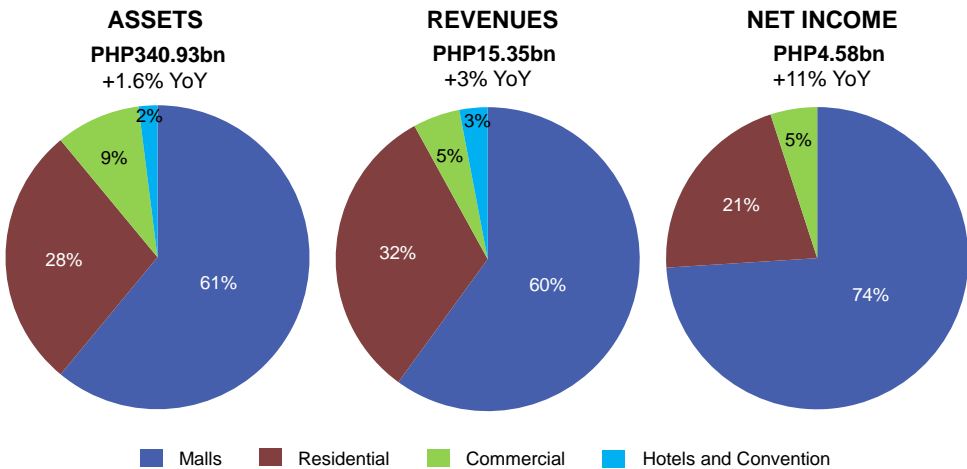
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SM Prime Holdings, Inc.

- Revenues grew 3% to PHP15.35 billion
- Net income up 11% to PHP4.58 billion

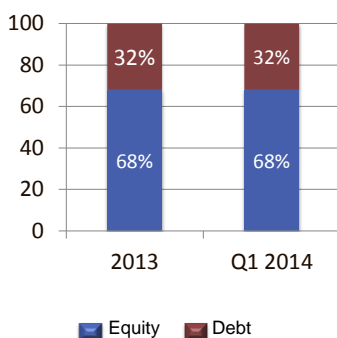


SM Prime Holdings, Inc. Q1 2014 Consolidated Results



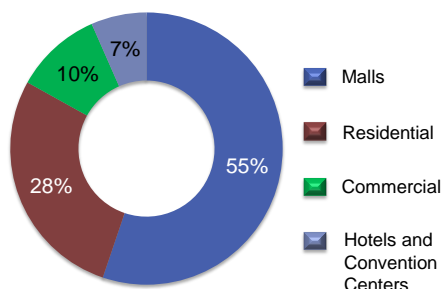
SM Prime Holdings, Inc.

Net Gearing Ratio



2014 Capex

PHP 70.5BN



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SM Prime's Roadmap

Project Portfolio as at end Dec 2013

- **Malls:** 6.95M sqm of GFA for 53 Malls (48 in Phils; 5 in China)
- **Residential:** 63,892 launched units for 21 projects, 47,618 units sold
- **Offices:** 0.15M sqm of GFA for 3 towers
- **Hotels:** 1,362 rooms for 5 projects
- **Leisure:** 4,998 launched units, for 4 projects



Project Portfolio by end Dec 2018

- ✓ **Malls:** 10.96M sqm of GFA for 85 Malls (74 in Phils; 11 in China)
- ✓ **Residential:** 139,628 launched units for 41 projects
- ✓ **Offices:** 0.46M sqm of GFA for 7 projects
- ✓ **Hotels:** 2,187 rooms for 10 projects
- ✓ **Leisure:** 5,477 launched units, 8 projects

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Mall Operations

- Revenues grew 17% to PHP9.2 billion
- Net income increased by 20% to PHP3.4 billion
- Total of 53 malls with 48 in the Philippines and five in China



SM INVESTMENTS CORPORATION

2014 Expansion Program: Philippines

Opening		GFA (sqm)
Q2 2014	SM Cauayan	94,386
Q3 2014	SM Angono	33,094
Expansion		
Q1 2014	SM Megamall Building D	101,005
Q2 2014	SM Bacolod	133,894
Q3 2014	SM Lipa	34,437
	Total	396,816
End 2014	Number of Malls	50
	Expanded GFA	6.6 mn sqm (+7%)



SM INVESTMENTS CORPORATION

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)	Q1 2014	Q1 2013	% Change
Revenues	918	687	33.6%
Operating Expenses	404	310	30.4%
Income from Operations	514	377	36.3%
Net Income after Tax	393	281	39.8%
EBITDA	680	519	30.9%
EBITDA margin	74%	76%	--
Operating margin	56%	55%	--
Net margin	43%	41%	--

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SM China Expansion Program

Opening		GFA (sqm)
2014	Zibo	154,000
2015	Tianjin	540,000
	Total GFA	694,000
End 2015	Number of Malls	7
	GFA in 2015 (in sqm)	1.5 mn (+87%)



SM Zibo



SM Tianjin

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Residential

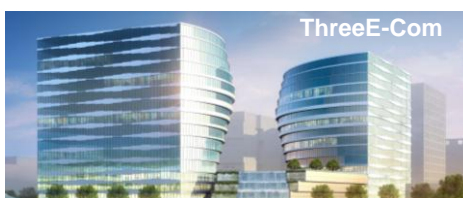
- SMDC Net income of PHP0.9 billion in Q1 2014 from PHP1.4 billion in Q1 2013 for a net margin of 18.8%
- 16 ongoing residential condominium projects predominantly in Metro Manila
- Sold close to 3,000 units as of end March 2014
- Six projects launched in 2013



SM INVESTMENTS CORPORATION

Projects and Landbank Profile

Projects Overview		Landbank (hectares)	
• Completed	5	Outside Metro Manila	92.2
• Ongoing	16	Metro Manila	55.0
• Total Units Made Available since 2005	63,893	Land for Future Projects	147.2
• Total Units Sold since 2005	48,915		
• % Sold	77%		
• Units Sold for Q1 2014	2,528		
• Total Units Available at end-Mar 2014	14,978		
• New Units for 2014	15,000		
• GFA of Existing Projects	2.7m sqm		
• 2014 CAPEX	P 18.2 bn		
• Projects	P 13.1 bn		
• Landbanking	P 5.1 bn		



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Commercial

- 7 office buildings primarily catering to the burgeoning BPO industry
- Access to enlarged landbank and balance sheet to accelerate growth
- Available landbank for 7-10 years
- GFA by end 2014: 299,589 sqm



Group Capex for 2014

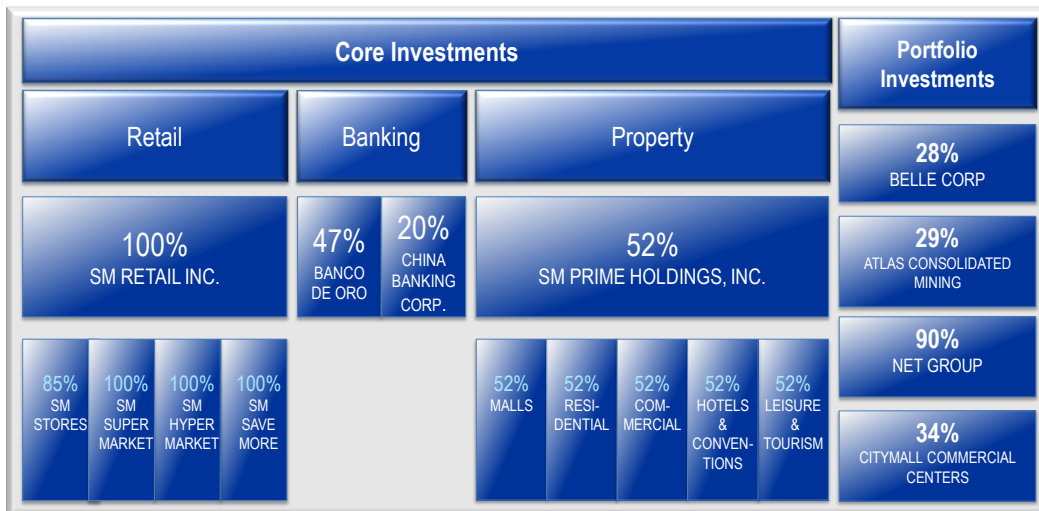
	Capex (PHP bn)	Projects
Retail	4.5	New stores / Renovations
Banks	4.0	Branch expansion, IT enhancements
Property	70.5	
Malls	39.0	New SM malls and expansions for Philippines and China
Residential	18.9	Condominiums and HPI projects
Commercial	7.3	ThreeE-com
Hotels and Convention, Other	5.3	Conrad Manila, SMX Taguig and Hamilo
Other	1.6	
Total	80.6	

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OUR INVESTMENTS



* Effective Ownership of SMIC

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Key Messages

Resilient underlying performance in first quarter 2014

- Revenue growth of 12% and net income growth of 11%
- Strong balance sheet with low gearing

Retail growth driven by competitive strengths

- Sales growth of 16%, same store sales growth of 5%
- Net margins stabilizing

Property Group operating as an integrated conglomerate

- Revenue growth of 3%, rental revenues up 12%, net income up 11%
- 5 year roadmap to double revenue and net income

Banking continuing strong broad-based profit growth

- BDO net income up 31% excluding one-off trading gains

All core businesses focusing on strengthening their long term positions in growing and evolving domestic markets





First Quarter 2014
Investor and Analyst Briefing
May 2014

THE DYNAMIC
WORLD OF
