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SEC Registration Number

S M I N V E S T M E N T S C O R P O R A T I O N A N D S U
B S I D I A R I E S

(Company's Full Name)

1 0 t h F l o o r , O n e E - C o m C e n t e r , H a r
b o r D r i v e , M a l l o f A s i a C o m p l e x ,
C B P - I A , P a s a y C i t y 1 3 0 0

(Business Address: No. Street City/Town/Province)

Ma. Ruby Ll. Cano
(Contact Person)

857-0131
(Company Telephone Number)

1 1 1 2
Month Day
(Fiscal Year)

1 7 - C
(Form Type)

Month Day
(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section
Total Amount of Borrowings

Total No. of Stockholders

Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SEC Number 16342
PSE Disclosure Security Code _____

SM INVESTMENTS CORPORATION

(Company's Full Name)

**10th Floor, One E-Com Center, Harbor Drive,
Mall of Asia Complex, CBP-IA, Pasay City 1300**

(Company's Address)

857-0100

(Telephone Number)

December 31

(Year Ending)
(month & day)

**SEC Form 17-C
PRESS RELEASE**

Form Type

Amendment Designation (If applicable)

Period Ended Date

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE (SRC)
AND SRC RULE 17(a)-1(b)(3) THEREUNDER

- 1. **November 12, 2008**
Date of Report
- 2. SEC Identification Number **0000016342**
- 3. BIR Tax Identification No. **000-169-020-000**
- 4. **SM INVESTMENTS CORPORATION**
Exact name of registrant as specified in its charter
- 5. **PHILIPPINES** 6.
(SEC Use Only)
Province, country or other jurisdiction of incorporation Industry Classification Code:
- 7. **10th Floor, One E-Com Center, Harbor Drive, Mall of Asia Complex, CBP-IA, Pasay City 1300**
Address of principal office Postal Code
- 8. **(632) 857-0131**
Registrant's telephone number, including area code
- 9. Former name or former address, if changed since last report
- 10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK, P10 PAR VALUE	611,023,038
.....	
.....	

11. Indicate the item numbers reported herein: **ITEM #9.**



Press Release

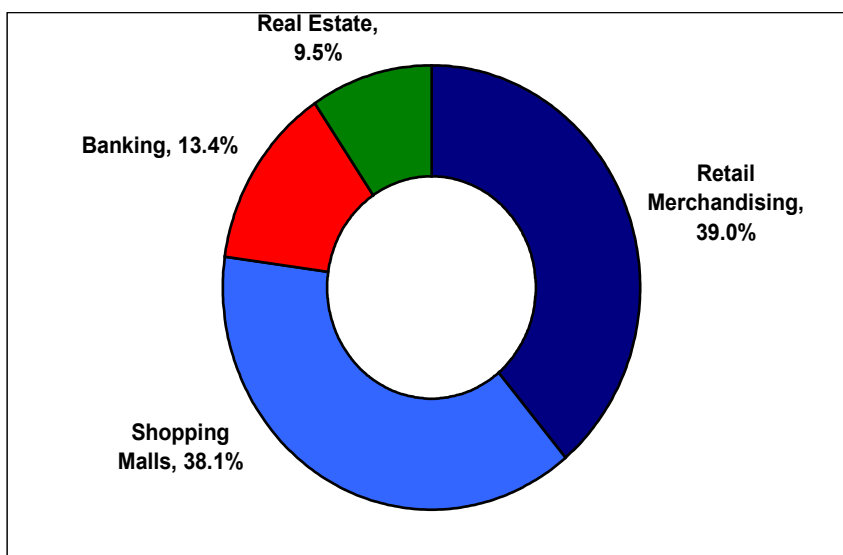
SM's Net Income Up 14% to Php9.6 Billion in First Nine Months of 2008

(12 November 2008. Pasay City, Philippines.) Philippine conglomerate SM Investments Corporation (SM) reported a 14% increase in net income to Php9.6 billion for the period January to September of 2008. Consolidated revenues grew by 16.9% to Php97.4 billion. SM's on-target performance was driven by the strong growth of the mall, retail, and property sectors. Overall retail sales increased by 20% to Php81.9 billion, while sales from real estate operations increased by 92% to Php4.2 billion. EBITDA stood at Php18.3 billion for an EBITDA margin of 19%.

SM President Mr. Harley Sy said, "The second half of 2008 gives us more reason to be optimistic about meeting our targets. We have since seen drastic cuts in gasoline and food prices, which combine well with a weak Peso as they provide a boost to many of our customers, including families of overseas workers who earn in US Dollars. As such, we view the fourth quarter of the year with greater optimism. It's the time when consumer spending heightens owing to the holiday season."

Retail and the malls contributed the most to SM's net income, accounting for 39.0% and 38.1% respectively. SM's real estate business accounted for 9.5%, while the banks contributed 13.4%.

SM Investments' Net Income Profile, January to September 2008



RETAIL MERCHANDISING

SM's retail group reported a net income of Php2.2 billion, up 21.0% from Php1.8 billion during the first nine months of 2007. Sales revenues grew 6% to Php79.1 billion. For the year, the retail group has opened a total of 10 stores: one department store, two supermarkets, two hypermarkets and five Save More stores.

In total, SM's retail group now has 93 outlets composed of 32 department stores; 35 supermarkets, 12 of which are SaveMore branches; 11 hypermarkets; and 15 Makro outlets. SaveMore outlets are stand-alone supermarkets located outside SM malls. The Makro stores were consolidated late last year after SM increased its ownership of Pilipinas Makro, Inc. to 60%.

For the rest of 2008, the SM retail group is scheduled to inaugurate seven more stores consisting of two department stores, two supermarkets, a SaveMore branch, and two hypermarkets.

MALL OPERATIONS

SM Prime Holdings Inc. ("SMPH")

SM Prime Holdings, Inc., the Philippines' largest shopping mall developer and operator posted Php4.7 billion in consolidated net income, for a growth of 9% in January to September 2008, over that of last year. Revenues grew by 10% to Php12.8 billion, during the same period, while EBITDA increased by 10% to Php8.9 billion for an EBITDA margin of 69%. These results include the operations of the three SM malls in China following their acquisition late last year. The SM China malls are located in the cities of Xiamen and Jinjiang in Southern China and Chengdu in Central China.

From January to September of 2008, rental fees still accounted for the largest share to SM Prime's consolidated revenues with Php11.1 billion, up 14% year-on-year. The increase came from both same store rental growth, which increased 5%, and from additional floor space generated by new malls namely, SM City Marikina in September of this year, and SM City Bacolod, SM City Taytay, and SM Supercenter Muntinlupa in 2007. In addition, three existing malls expanded last year. These are SM City Pampanga, SM City Cebu, and SM Mall of Asia. Combined, the new malls and expansions added 475,000 square meters (sqm) to SM Prime's total gross floor area (GFA). The average occupancy rate for the new malls now stands at 94%.

Meanwhile, cinema ticket sales fell by 7% to Php1.3 billion from Php1.4 billion in 2007 due to a dearth of blockbuster movies during the period.

Operating expenses during the first nine months of 2008 increased by 9%, to Php5.9 billion, from Php5.4 billion during the same period in 2007. Effective cost-saving measures undertaken in all SM malls have kept costs growing by single-digit levels, notwithstanding spiraling fuel and power costs during the period. Thus, income from operations rose 12% to Php7.0 billion from Php6.3 billion.

For the remainder of 2008, SM Prime is set to open SM Supercenter Rosales in Pangasinan and SM City Baliuag in Bulacan. The new 15,000 sqm Atrium of SM Megamall is also expected to be open for business in November. SM City North EDSA and SM City Fairview are also

currently undergoing expansion and due for completion in 2009. By end 2008, SM Prime will have 33 malls nationwide. Including the SM China malls, total estimated GFA will reach 4.7 million sqm.

BANKING AND FINANCIAL SERVICES

Banco De Oro Unibank, Inc. (“BDO”)

BDO Unibank, Inc., continued to grow its traditional banking business aggressively with gross loans expanding by 35% during the period. Its net interest income stood at Php17 billion for a 5% growth. Net income for the nine months ended September 30, 2008 amounted to Php1.1 billion, net of the provisions for trading and investments.

The bank’s total assets amounted to Php743.5 billion, while deposits stood at Php577.1 billion. BDO’s NPL ratio for the period was 6.1%. Its capital stood at Php56.0 billion. Its net interest margin (NIM) and capital adequacy ratio (CAR) were 3.8% and 13.7%, respectively.

China Bank (“CHIB”)

China Bank realized a net income of Php2.3 billion from January to September of 2008. Net interest income reached Php4.6 billion. Other income increased by 15.6% to Php1.8 billion.

China Bank’s total assets stood at Php193.3 billion. Its capital amounted to Php25.2 billion. Deposits totaled Php157.1 billion and net loans were at Php85.8 billion. The bank’s NIM stood at 3.8%, while its CAR was 14.3%.

REAL ESTATE AND PROPERTY DEVELOPMENT

Revenues from real estate operations for the first nine months of 2008 increased by 117% to Php5.2 billion, while net income surged by 399% to Php1.2 billion.

Rapid growth was driven by the residential condominium projects of SM Development Corporation; the leasing activities of the commercial properties group; and the resort projects of Costa del Hamilo (“Hamilo”), SM’s tourism vehicle that is developing the Pico de Loro Cove project in Nasugbu, Batangas; and hotel operations.

As of January to September of this year, the completion rate for Jacana and Myna, which are Hamilo’s two condominium projects under construction in Pico de Loro, is 73% and 14%, respectively. Jacana’s units were 89% pre-sold, while that of Myna was 85%. The beach club, on the other hand, is now 98% complete and 9% of its club shares have been sold. Two more clusters will soon be up for sale in Pico de Loro.

All other property and real estate projects of SM are in full swing, such as the Mall of Asia Complex in Pasay City, the Sofitel Cebu Hotel, and the expansion of the Taal Vista Hotel in Tagaytay City.

SM Development Corporation (“SMDC”)

SMDC reported that its net income from real estate operations in the first nine months of the year grew five-fold to Php642 million from Php121 million in the same period in 2007. SMDC's gross profit on real estate sales during the period reached Php1.2 billion, a sharp growth of 207%, resulting in a gross profit margin of 43%. EBITDA reached Php1.08 billion, for an EBITDA margin of 38%.

Realized revenues from real estate operations surged 122% to Php2.9 billion on the back of stronger sales and the substantial completion of Mezza Residences, and cluster six of Chateau Elysee. SMDC also started this year the construction of Berkeley Residences and phase one of Grass Residences.

From January to September this year, SMDC pre-sold a total of 2,037 residential units worth Php3.7 billion. Compared to the same period in 2007, the number of units pre-sold increased by 67%.

Consolidated net income stood at Php22.8 million, down from Php792 million last year mainly due to unrealized mark-to-market losses from equity investments, which are held in SMDC's portfolio from its previous business as an asset management company.

SMDC has five on-going projects. Chateau Elysee, a six-cluster mid-rise condominium project in Parañaque City, is now in its fourth cluster, which is 96% completed. Mezza Residences across SM City Sta. Mesa is 89% completed. Berkeley in Katipunan Road across Miriam College is 15% complete, and Grass Residences beside SM North EDSA is 26% complete with its phase one. Lindenwood Residences, which is a residential subdivision in Muntinlupa City, is 99% complete.

In August of this year, SMDC broke ground for two more condominium projects, the Sea Residences near the Mall of Asia Complex in Pasay City and Field Residences in Sucat, Parañaque City. Next to be launched are the Princeton Residences beside the Gilmore Station of LRT 2 line along Aurora Boulevard., Q.C. and the Tree Residences in Cainta, Rizal. Other projects for launching are being chosen carefully and evaluated properly to ensure their success, notwithstanding the economic outlook.

— End —

For further information, please contact:

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