



President's Report Annual Stockholders' Meeting

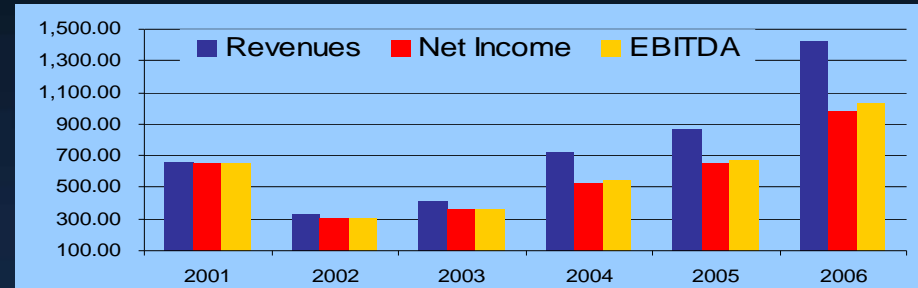
17 April 2007
Manila Peninsula

Outline

- Accomplishments for 2006
 - Financial review
 - Progress report
 - Chateau Elysee
 - Mezza Residences
- Product Launches for 2007

Financial Review

- 2006 was a record year for SMDC, achieving the highest level of profitability since its start of operations in 1974
- The surge in revenues was derived from
 - Strong sales of real estate products
 - Significant gains on investments



| (Pmn) | 2006 | 2005 | % chg |
|-------------------|----------|--------|--------|
| Revenues | 1,430.83 | 867.19 | 65.0% |
| Gross Profit | 279.63 | 92.56 | 202.1% |
| Net Income | 984.54 | 652.05 | 51.0% |
| EPS (Php) | 0.32 | 0.21 | 50.9% |
| ROE (%) | 12.4 | 9.6 | 29.2% |
| EBITDA (Php) | 1,032.03 | 672.09 | 53.6% |
| EBITDA Margin (%) | 72.13 | 77.50 | (0.07) |

Financial Review

- The 20% asset expansion to Php8.7 bn was a result of these cornerstones of growth:
 - Focused strategy
 - Financial prudence
 - A strong asset base
 - Management expertise

| | 2006 | 2005 | % Chg |
|----------------------------|----------|----------|--------|
| Total Assets | 8,748.09 | 7,288.92 | 20.0% |
| Current Assets | 4,676.58 | 3,567.84 | 31.1% |
| Non-current Assets | 4,071.51 | 3,721.08 | 9.4% |
| Current Liabilities | 713.94 | 440.38 | 62.1% |
| Non-current Liabilities | 107.23 | 26.97 | 297.6% |
| Total Liabilities | 821.17 | 467.35 | 75.7% |
| Stockholder's Equity | 7,926.92 | 6,821.57 | 16.2% |
| Book Value per share (Php) | 2.57 | 2.22 | 15.8% |
| Current Ratio (x) | 6.55:1 | 8.10:1 | |
| Debt/Equity Ratio (%) | 0.10:1 | 0.07:1 | |
| Net Debt/Equity Ratio (%) | (0.07:1) | 0.01:1 | |

Progress Report

- **Chateau Elysee**
 - SMDC's maiden residential project
 - A unique development in the heart of Bicutan
 - Clustered French-Mediterranean themed mid-rise condominiums with all the amenities of a high-end residential complex.

| | |
|--|-----------|
| Start of Construction | June 2003 |
| Estimated Date of Completion | Oct 2008 |
| Estimated Cost | Php1.28bn |
| Total No. of Units (From 4 clusters on offer) | 1,533 |
| Sold to Date | 838 |
| Sold in 2006 | 676 |
| Percent Sold | 54.7% |
| Percent Completion | |
| Cluster 1 & 2 | 100% |
| Cluster 3 | 85% |

Progress Report

Mezza Residences

- High-rise residential project, consisting of four towers resting on a commercial podium.
- Strategically located beside SM City Sta. Mesa, and a high-density residential area in the corner of Araneta Ave. and Aurora Blvd. in Quezon City

| | |
|------------------------------|-----------|
| Start of Construction | Sept 2006 |
| Estimated Date of Completion | 2009 |
| Estimated Cost | Php2.8bn |
| Total No. of Units | 2,420 |
| Sold to Date | 1,266 |
| Sold in 2006 | 946 |
| Percent Sold | 52% |
| Percent Completion | 13% |



Product Launches for 2007



Product Launches for 2007

● Lindenwood Residences

- A residential subdivision on the rolling hills of Susana Heights, Muntinlupa
- Amenities include, among others, a 25-meter lap pool, kiddie pool, and basketball court
- Near schools, commercial centers, golf courses, and business districts

| | |
|---|--------------------------|
| Start of Construction | 4 th Qtr 2006 |
| Estimated Date of Completion | 1 st Qtr 2008 |
| Estimated Cost | Php261m |
| Total no. of lots for sale | 390 |
| Amenities: Clubhouse with function rooms, 25-meter pool, kiddie pool, jogging path, basketball court and playground | |



Product Launches for 2007

- Berkeley Residences
 - 35-storey residential condominium along Katipunan Avenue in Quezon City
 - Situated in one of Metro Manila's prime university and school hubs
 - Easy access to MRT and LRT 2

| | |
|---|--------------------------|
| Start of Construction | 4 th Qtr 2007 |
| Estimated Date of Completion | 4 th Qtr 2009 |
| Estimated Cost | Php1.2bn |
| Total No. Units | 1,094 |
| Amenities: student lounge, billiards hall, swimming pool, sunken deck, gazebo, tree court and study area. A commercial strip at the ground floor will house 24/7 convenient stores, gym and fitness center, internet cafes, review schools, specialty restaurants and coffee shops. | |



Product Launches for 2007

● Grass Residences

- A three-tower condominium project near SM City North EDSA in Quezon City
- Target market includes professionals who work in Metro Manila but reside in the suburbs
- Will offer generous open spaces and amenities such as a resort-type pool, cabanas, gym, basketball and badminton courts
- Easy access to MRT and bus routes

| | |
|---|---------------------------------------|
| Start of Construction | 3 rd Qtr 2007 |
| Estimated Date of Completion | 3 rd Qtr 2010 (Tower I) |
| Estimated Cost | Php5.4bn |
| Total No. Units | 5,390 |
| <p>Amenities: a resort-type pool, kiddie pool, playground and kiddie club, courtyards and garden, lawn and activity area, pavilions and cabanas, function room, exercise hall, gym and relaxation terrace. A basketball court and four badminton courts provide active play and recreation.</p> | |



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