

SM Investments Corporation

President's Report

April 26 2012



Earnings Performance Exceeded Target

- 2011 yielded an earnings growth and net margin that is better than target driven by the strong performance of property, malls and banks.
- Sufficient support came from retail which gave a strong push to counter a year challenged by a slow economy.

	2011	2010	% Chg
Revenues (Php bn)	200.3	177.2	13%
Operating Income (Php bn)	37.4	32.3	16%
Net Income (Php bn)	21.2	18.4	15%
EBITDA Margin (%)	22%	22%	--
Net Margin	11%	10%	--
Earnings per share (Php)	34.7	30.2	15%
Market Cap (Php bn)	356.6	332.3	7%

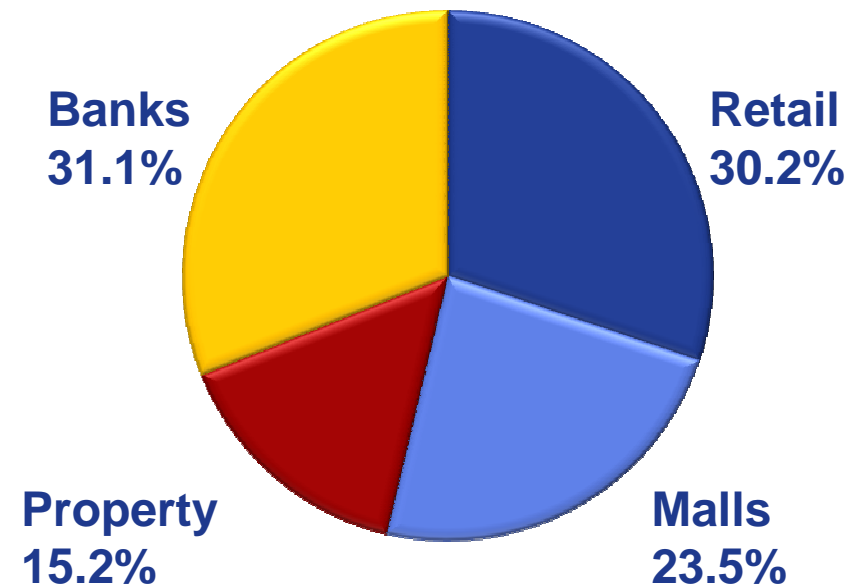
Strong Financial Position

	2011	2010	% Chg
Total Assets	449.1	407.4	10%
Total Liabilities	226.8	209.6	8%
Current Ratio	1.27:1	1.67:1	--
Stockholders Equity	222.3	197.8	12%
Book Value/sh	257.6	231.3	11%
Net Debt to Equity Ratio	28:72	22:78	--
Return on Equity (%)	14%	14%	--

Net Income Profile

Core Business	2011 Earnings Growth
Property	31%
Malls	15%
Banks	12%
Retail	3%

Net Income Profile



BDO Unibank

Financial Highlights	2011 (Php bn)	2010 (Php bn)	% Chg
Net Interest Income	33.8	34.2	-1%
Other Income	20.9	17.8	17%
Net Income	10.5	8.8	19%
Deposits	858.6	782.6	10%
Gross Loans	670.1	541.5	24%
ROE (%)	11.7%	11.7%	
NPL (%)	3.4%	4.7%	
CAR (%)	15.8%	13.8%	



China Bank

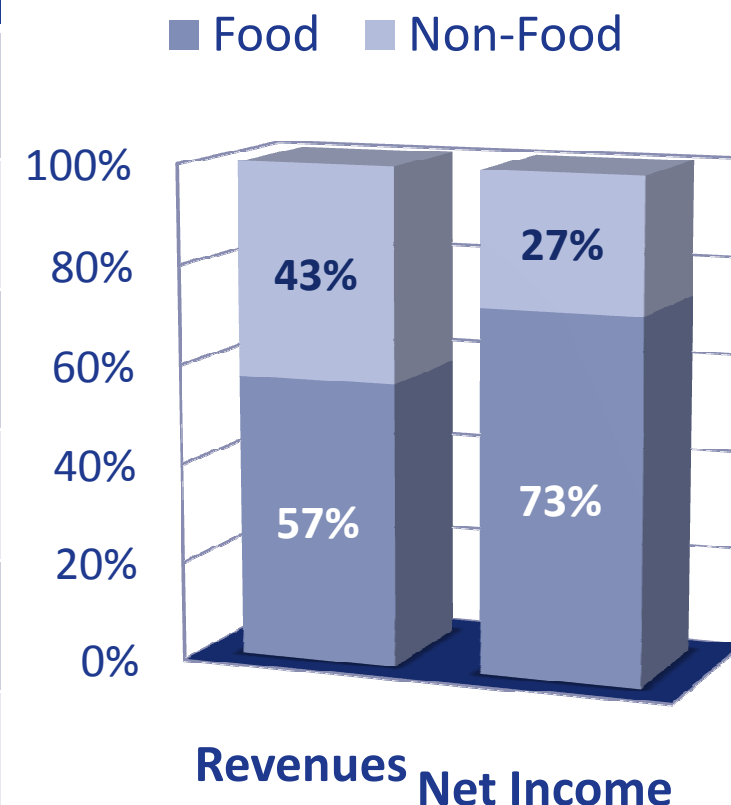
Financial Highlights	2011 (Php bn)	2010 (Php bn)	% Chg
Net Interest Income	8.6	8.6	-1%
Net Income	5.0	5.0	0%
Assets	262.2	257.4	2%
Deposits	216.1	213.0	1%
Gross Customer Loans	150.0	113.7	32%
ROE (%)	13.7%	15.4%	
NPL (%)	2.9%	3.9%	
CAR (%)	17.8%	16.6%	

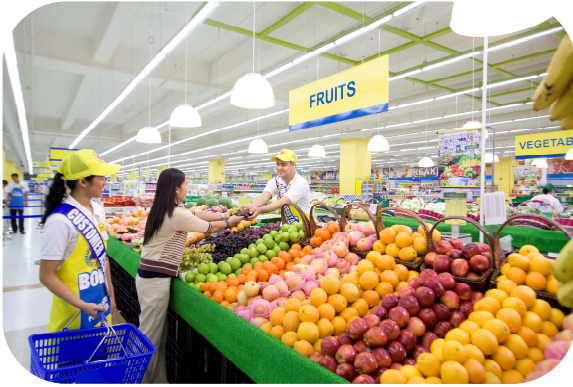






RETAIL OPERATIONS

(In Php billion)	2011	2010	% Chg
Sales (Php bn)	148.2	135.6	9%
Net Income (Php bn)	5.8	5.6	3%
Net Margin	4%	4%	--
Total No. of Stores	169	142	19%
Department Stores	41	40	3%
Supermarkets	128	102	25%

Revenues and Net Income Profile December 2011





2011	 DEPARTMENT STORE	 SUPERMARKET		 HYPERMARKET	Total Retail
New Stores	1	3	25	5	34
Total	41	33	65	30	169
In Metro Manila	39%	36%	48%	57%	45%

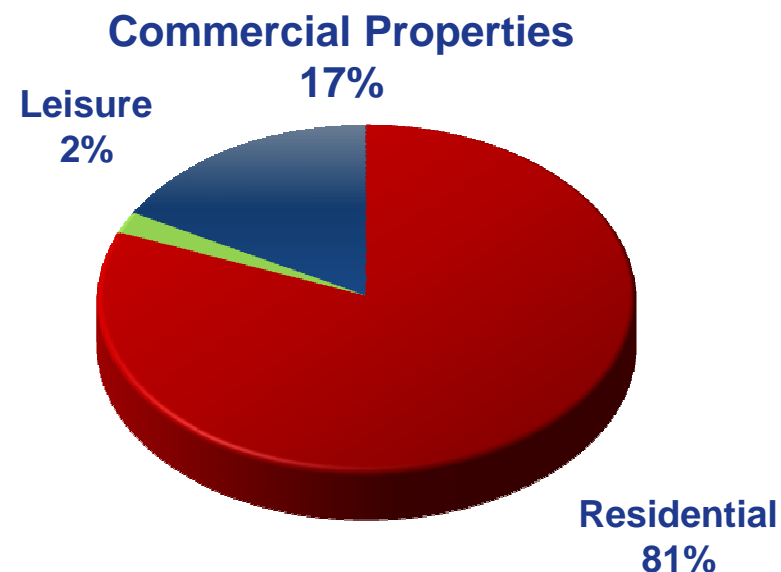
Mall Operations

	2011	2010	% Chg
Revenues (Php bn)	26.9	23.7	13%
Net Income	9.1	7.9	15%
Return on Equity	15%	14%	--
EBITDA (Php bn)	18.5	15.9	16%
EBITDA margin	69%	67%	--
Net margin	34%	33%	--
Market Capitalization (Php bn)	169.6	158.2	--
Same Store Rental Growth	7%	6%	--

Property Group

	2011	2010	% Chg
Revenues from Real Estate Operations (Php bn)	19.7	12.9	52%
Net Income from Real Estate Operations (Php bn)	5.3	3.8	39%
Consolidated Net Income (Php bn)	5.1	3.9	31%

Net Income Profile Jan to Dec 2011



Strong Profit Growth for SMDC

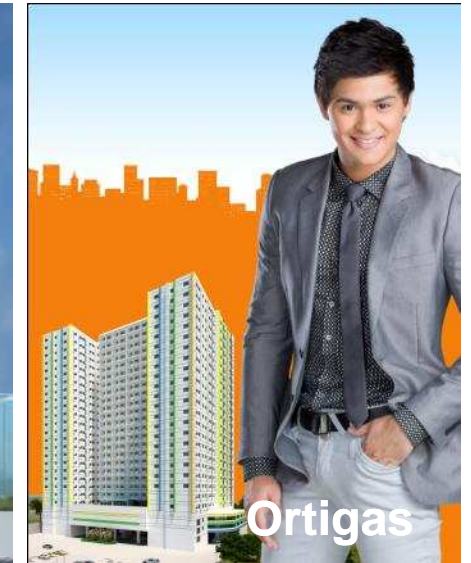
- Sustained high earnings growth due to strong sales and construction completion

(In Php billion)	2011	2020	% Chg
Revenues from Real Estate Sales	16.18	9.12	77%
Gross Profit from Real Estate Sales	6.51	4.08	60%
Consolidated Net Income	4.18	3.02	38%
Net Income from Real Estate Sales	4.04	2.54	59%
EBITDA (Php bn)	4.99	3.67	36%

SM Residences



M Place



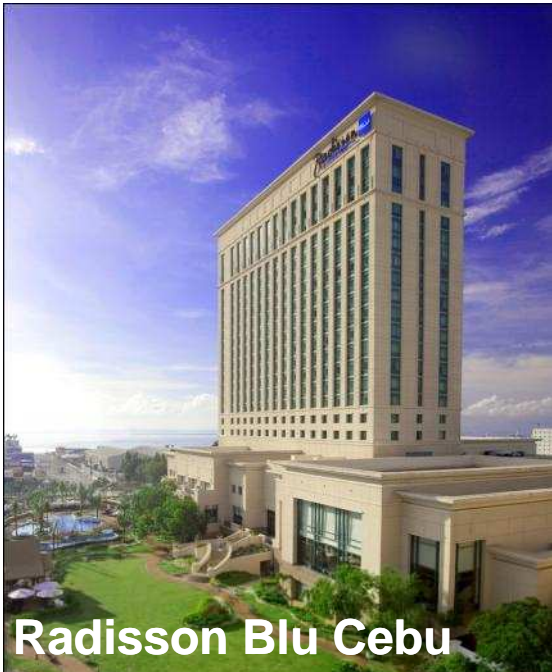
SM Land Commercial Properties



Leisure Development



Hotels and Conventions



Radisson Blu Cebu



Radisson Blu Cebu Hotel Lobby



Pico Sands



Taal Vista



Corporate Social Responsibility

Education



Health



Livelihood



Operation Tulong Express

Education Advocacy	Health Advocacy	Livelihood Advocacy	Mall Outreach Program
2011			
<ul style="list-style-type: none"> • 125 Graduates • 1,031 Scholars • 52 Honor Students 	<ul style="list-style-type: none"> • 85 Medical Missions • 77,865 Beneficiaries 	<ul style="list-style-type: none"> • 11 Farmers Trainings • 1,000 Graduates 	Donate-A-Book <ul style="list-style-type: none"> • 183,485 Books • 1,238 Beneficiaries Share-A-Toy <ul style="list-style-type: none"> • 10,600 Toys • 10,533 Beneficiaries Share Your Extras <ul style="list-style-type: none"> • 14,500 Donation Packs • 37,758 Beneficiaries
To Date			Operation Tulong 2011
<ul style="list-style-type: none"> • 1,300 Graduates • 1,068 Scholars • 344 Honor Students 	<ul style="list-style-type: none"> • 644 Medical Missions • 505,190 Beneficiaries 	<ul style="list-style-type: none"> • 37 Farmers Trainings • 4,091 Graduates 	<ul style="list-style-type: none"> • 6 Emergency Response Missions for 11 Municipalities

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