



**INVESTMENTS
CORPORATION**

November 7, 2018

PHILIPPINE STOCK EXCHANGE, INC.

6th Floor, PSE Tower
28th St. corner 5th Ave.
BGC, Taguig City

Attention: **Ms. Janet A. Encarnacion**
Head, Disclosure Department

PHILIPPINE DEALING & EXCHANGE CORP.

37th Floor, Tower 1, The Enterprise Center
6766 Ayala Ave., cor. Paseo de Roxas, Makati City

Attention: **Ms. Vina Vanessa S. Salonga**
Head, Issuer Compliance and Disclosure Department

Re: **Press Release - SM Consolidated Net Income Grows 10% in Nine Months**
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Ladies and Gentlemen:

Please be informed that SM Investments Corporation is releasing to the press the attached statement entitled "SM Consolidated Net Income Grows 10% in Nine Months."

Thank you.

Very truly yours,

ELMER B. SERRANO
Corporate Secretary

Encl. a/s



SM Consolidated Net Income Grows 10% in Nine Months

(07 November 2018. Pasay City, Philippines) SM Investments Corporation (SM) reported its consolidated net income rose 10% to PHP26.2 billion in the first nine months of the year. Consolidated revenues also grew 12% to PHP307.4 billion from PHP274.6 billion in the same period in 2017.

“The results of the first nine months have been reassuring with the resilient performance of property, banking and retail. Our financial results reflect the ongoing strength of consumer sentiment, even as we continue to monitor inflationary pressures,” SM President Frederic C. DyBuncio said.

For the first nine months, property accounted for 43% of SM’s reported net earnings, followed by banks at 36% and retail at 21%.

Retail

Retail operations under SM Retail Inc., which consist of both food (SM Markets) and non-food (THE SM STORE and Specialty Retail), reported growth in total revenues by 11% to PHP227.0 billion in the first nine months, while net income rose to PHP7.9 billion from PHP7.7 billion. Revenues from Specialty Retail grew 16%.

The SM STORE opened 3 stores in Urdaneta, Telabastagan and Legazpi during the nine-month period. Total gross selling area of all 62 department stores stood at over 792,000 square meters.

The Food Retail Group added 13 Savemore, 4 SM Supermarkets, 3 SM Hypermarkets, and 6 WalterMart stores for a total of 26 new stores to date. Alfamart added 135 stores.

At end-September, SM Retail had a total of 2,212 stores comprising 62 THE SM STOREs, 1,315 specialty retail stores, 56 SM Supermarkets, 50 SM Hypermarkets, 194 Savemore, 52 WalterMart and 483 Alfamart stores.

Property

SM Prime Holdings, Inc. (SM Prime) reported overall net income growth of 17% in the first nine months to PHP23.4 billion. Consolidated revenues rose 15% to PHP74.6 billion in the first nine months.

The mall business, which accounted for 58% of consolidated revenues, grew 12% to PHP43.3 billion. Backed by 8% growth in same-mall-sales, mall rental revenues increased by 12% to PHP36.8 billion. Growth was also driven by new malls opened from 2016 to 2018 which are largely in the provinces.

Revenues for the residential group, led by SM Development Corporation (SMDC), increased 23% to PHP25.3

billion in the period and accounted for 34% of total revenues. SMDC's reservation sales grew 25% to PHP52.8 billion in the first nine months.

Banking

BDO Unibank posted a net income of PHP21.5 billion, up 6%. Net interest income grew 20% to PHP71.5 billion, supported by 17% increase in gross customer loans to almost PHP2.0 trillion and a 12% growth in total deposits to PHP2.3 trillion.

Balance Sheet

Total assets of SM grew 9% to breach the PHP1 trillion level for the first time. SM maintains a healthy balance sheet with a conservative gearing ratio of 46% net debt to 54% equity.

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About SM Investments Corporation

SM Investments Corporation is a leading Philippine company that is invested in market leading businesses in retail, banking and property. It also invests in ventures that capture high growth opportunities in the emerging Philippine economy.

SM's retail operations are the country's largest and most diversified with its food, non-food and specialty retail stores. SM's property arm, SM Prime Holdings, Inc., is the largest integrated property developer in the Philippines with interests in malls, residences, offices, hotels and convention centers as well as tourism-related property developments. SM's interests in banking are in BDO Unibank, Inc., the country's largest bank and China Banking Corporation, the 7th largest bank.

For more about SM, visit www.sminvestments.com

For further inquiries, please contact:

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