

OFFICIAL STATEMENT
July 16, 2012

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**SM INVESTMENTS CORPORATION LISTS
PHP 25 BILLION FOUR SERIES OF FIXED RATE BONDS ON PDEX**



SM Investments Corporation (SMIC) Chief Finance Officer Jose T. Sio (second from right) rings the ceremonial bell for the first time to herald the start of trading of the Php 25 Billion SMIC Fixed Rate Series A, B, C and D Bonds on PDEX. In Photo from left are Philippine Dealing & Exchange Corp. (PDEX) President and Chief Operating Officer Cesar B. Crisol, SMIC President Harley T. Sy, and PDEX Chairman & CEO Vicente B. Castillo.

Also present in the event are representatives from the joint lead underwriters: BDO Capital & Investment Corp. President Eduardo V. Francisco, BPI Capital Corporation President Cecilia L. Tan, China Banking Corporation Investment Banking Group First Vice President Virgilio O. Chua, First Metro Investment Corporation President Roberto Juanchito T. Dispo, and RCBC Capital Corporation President & Chief Executive Officer Jose Luis F. Gomez.

Makati, Philippines, 16 July 2012, Monday - SM Investments Corporation (SMIC), one of the country's largest conglomerates, listed its Php 15 billion Fixed Rate Series C and D Bonds on the Philippine Dealing and Exchange Corp. (PDEX) simultaneously upon issuance today, together with its Php 10 billion Fixed Rate Series A and B Bonds issued in June 2009.

For its latest bond offering, SMIC successfully offered seven-year and ten-year tranches, with coupon rates of 6.0% p.a. and 6.9442% p.a. respectively. The 2009 bond issuance consisted of 5-year and 7-year tranches.

The Philippine Rating Services Corporation (PhilRatings) gave the SMIC Series C and D Bonds a PRS Aaa rating, and maintained a PRS Aaa rating on the Series A and B Bonds, the highest credit rating assigned to long-term debt securities with the smallest degree of investment risk. This rating also reflects the Issuing company's extremely strong capacity to meet its financial commitments. The net proceeds of its recent bond offering will be used primarily for various project expansions and general corporate purposes. This eighth listing for 2012 brings the year-to-date new listings total to Php 90.85 billion, and the total level of tradable corporate debt instruments to Php 266.23 billion issued by 16 companies, with 43 securities.

SMIC was incorporated in the Philippines on January 15, 1960. First ventured the market as a small shoe store in 1945, the Group's business activities and interests are now divided into five principal sector namely, (1) retail merchandising through its department store, supermarket, savemore, hypermarket and wholesale operations (SM Retail); (2) shopping mall developments, where it is the leading shopping mall operator in the Philippines (SM Prime); (3) financial services, through its associate banks that have universal banking licenses in the Philippines (BDO and China Bank); (4) real estate development and tourism (SM Land, SMDC, CDHI and HPI); and (5) hotels and conventions (SM Hotels).

SMIC Executive Vice President and CFO Jose T. Sio, who spoke on behalf of the Issuer said, "A few years back, it was very difficult to raise long-term funds from the domestic market, but given the country's strong fundamentals and liquidity in the financial sector, we are confident that we can always come back to the market, especially since we now have a venue like PDEX where investors can freely trade our bonds."

The event was held at the PDS Group Office in The Enterprise Center, Makati City and was graced by Senior Officers of SM Investments Corporation, led by President and Chief Executive Officer Harley T. Sy and Vice-Chairperson Teresita Sy-Coson, to introduce the issue to the organized secondary market. Representatives from the issue participants responsible for the origination and distribution of the issue in the primary market were also in attendance, including BDO Capital & Investment Corp. President Eduardo V. Francisco, BPI Capital Corporation President Cecilia L. Tan, China Banking Corporation Investment Banking Group First Vice President Virgilio O. Chua, First Metro Investment Corporation President Roberto Juanchito T. Dispo, and RCBC Capital Corporation President & Chief Executive Officer Jose Luis F. Gomez.

"We at PDS are greatly honored to welcome to our issuer community SM Investments Corporation as it lists its 4 series of fixed rate bonds with a combined issue size of Php 25 billion. We congratulate the Company on its successful completion of its second retail bond offering, as it issues today a total of Php 15 billion in seven-year and ten-year bonds, and on providing your bondholders, including holders of your 2009 Php 10 billion five-year and seven-year bond issue, a centralized venue for price discovery and liquidity," said PDEX Chairman and CEO Mr. Vicente B. Castillo in his welcome remarks.

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