

# COVER SHEET

SEC Registration Number

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Company Name

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	S	U	B	S	I	D	I	A	R	I	E	S																	

Principal Office (No./Street/Barangay/City/Town/Province)

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

Form Type

1	7	-	C
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Department requiring the report

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Secondary License Type, If Applicable

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## COMPANY INFORMATION

Company's Email Address

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Company's Telephone Number/s

857-0100
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Mobile Number

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No. of Stockholders

1,239
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Annual Meeting  
Month/Day

04/27
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Fiscal Year  
Month/Day

12/31
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## CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person

Mr. Jose T. Sio
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Email Address

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Telephone Number/s

857-0100
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Mobile Number

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Contact Person's Address

10 <sup>th</sup> Floor, One E-Com Center, Harbor Drive, Mall of Asia Complex, CBP-1A, Pasay City 1300
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**Note:** In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

SEC Number 16342  
PSE Disclosure Security Code \_\_\_\_\_

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**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. August 6, 2015

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, Metro Manila

Address of principal office

1300

Postal Code

8. (632) 857-0100

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**

**803,055,405**

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



## PRESS RELEASE

### SM Recurring Net Income Rises 13%

(06 August 2015. Pasay City, Philippines) SM Investments Corporation (SM) reported consolidated net income of PHP13.5 billion for the January to June period, an increase of 10% over last year. Excluding extraordinary items, recurring income grew by 13% during the first half of 2015.

Consolidated revenues were up 6% to PHP138.9 billion in the first half from P130.9 billion in the same period last year.

"Our core businesses continue to deliver good revenue and earnings growth. Earnings growth in Property is now in the mid teens, in line with our medium term goals. The Retail Group maintained its pace through organic growth and store expansion despite its already significant size and intense competition. Our focus on costs across the group resulted in improved operating margins. While we are pleased with the results so far, we are keeping our eyes on the challenges ahead," SM President Harley T. Sy said.

Property led the growth, increasing its share of consolidated net income to 42%. This was followed by the banks with 38% and retail with 20%.

#### Property

SM Prime Holdings, Inc. registered consolidated net income of PHP18.7 billion, up 90% compared with PHP9.8 billion in the same period last year. Excluding one-time trading gains on the sale of marketable securities, recurring net income was up 15% to PHP11.2 billion year-on-year.

Consolidated revenues reached PHP35.9 billion, an increase of 8% from PHP33.3 billion in the same period last year. Rental revenues from retail and commercial spaces accounted for 54% of consolidated revenues and grew 10% in the period to PHP19.4 billion, driven by new malls, offices and the expansion of shopping spaces in existing malls in 2013 and 2014. Same store rental stood at 7%.

In the first half of 2015, SM Prime opened SM Megacenters Cabanatuan and SM City San Mateo bringing the total Philippine operating malls to 52 with a GFA of almost 6.6 million sqm.

For the rest of the year, SM Prime is set to open one mall in Metro Manila, SM Center Sangandaan in Caloocan, and two malls outside Metro Manila, namely SM City Cabanatuan in Nueva Ecija and SM Seaside City Cebu. The company is also expanding two existing malls, SM City Lipa in Batangas and SM City Iloilo.

The housing group, led by SM Development Corporation (SMDC), recorded a 3% increase in real estate sales to PHP12.3 billion. As a result, net income stood at PHP3.0 billion, up 8%. Growth in the residential segment was largely due to higher sales take-up and construction accomplishments of projects launched in 2010 to 2013.

Consolidated costs on real estate of the housing group improved to PHP6.7 billion from PHP6.8 billion mainly on improving cost efficiencies, tighter monitoring and control of construction costs

since 2012. This boosted gross profit margin on real estate sales to 46% from 43% in the first half of 2015 and net income margin to 24% from 23% for the same period.

For 2015, SMDC will launch at least five new condominiums with about 12,000-15,000 units in total.

In the commercial office space, SM Prime recently launched SM Cyberwest in Quezon City and unveiled FiveE-comCenter at the MOA Complex which is already fully occupied.

For hotels and convention centers, Conrad Manila in the Mall of Asia Complex in Pasay and Park Inn by Radisson Clark in Pampanga are expected to open in the last quarter of 2015.

### **Banking**

BDO Unibank, Inc. (BDO) recorded net income of PHP11.7 billion on the sustained growth in the bank's lending and deposit-taking businesses, notable gains from fee-based and treasury activities and managed operating expenses.

Net interest income grew 10% in the six-month period to PHP27.1 billion. Customer loan portfolio grew 16% to PHP1.1 trillion while CASA deposits advanced 17%.

Further strengthening its platform to serve a fast growing market, BDO signed an agreement with Nomura Holdings, Inc. for a joint investment in PCIB Securities. The joint venture will initially provide online trading services for local stocks to individual investors and eventually expand its services to include cross-border investment opportunities to a broader range of investors. The transaction is still subject to relevant regulatory approvals.

BDO has also successfully completed its acquisition of One Network Bank, the largest rural bank in Mindanao.

China Banking Corporation reported net income growth of 14% to PHP2.5 billion for the first half, driven by strong growth in its core businesses.

Net interest income was up 9% to PHP7.4 billion on the back of higher loans volume and lower interest expense. Net loans expanded 10% year-on-year to P289.3 billion. The CASA to total deposits ratio stood at 51%.

### **Retail Operations**

Retail operations under SM Retail reported sustained growth in total sales of 6% to PHP96.7 billion, while net income rose 13% to PHP3.1 billion.

SM's food retail business continued to expand in both urban and rural communities, adding 20 new stores in various parts of Luzon, Visayas and Mindanao.

At end-June 2015, SM Retail had a total of 289 stores, comprising 51 THE SM STORES, 41 SM Supermarkets, 43 SM Hypermarkets, 127 Savemore stores and 27 WalterMart stores.

SM Retail is finalizing the acquisition of three stores of Cherry Foodarama located in Mandaluyong, Quezon City, and Antipolo.

Meanwhile, Alfamart has increased its number of stores to 50 as of end-June.

For its part, THE SM STORE opened its 51st store in San Mateo Rizal. As of the first half, the total gross selling area of all 51 SM STOREs stood at over 683,000 sqm.

International retail chain Crate & Barrel, specializing in houseware and furniture, opened its flagship store at THE SM STORE Annex in Makati in July. Spanning 2,800 sqm, the new store is one of the largest in the Philippines after its stores in Mega Fashion Hall at SM Megamall in Mandaluyong City and in SM Aura in Taguig.

### **Balance Sheet**

As of end-June 2015, total assets of SM grew 7% to PHP721 billion. SM maintains a healthy balance sheet with a conservative gearing ratio of 38% net debt to 62% equity.

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### **About SM Investments Corporation**

SM Investments Corporation (SM) is one of the leading conglomerates in the Philippines with highly synergistic businesses in retail, banking and property development. SM has evolved into one of the most highly respected companies in the country owing to its progressive approach in business and its comprehensive sustainability programs for its host communities through SM Foundation and SM Cares.

SM's retail operations enjoy a strong brand franchise consisting of THE SM STORE and its food retail chains namely SM Supermarket, SM Hypermarket, Savemore and WalterMart stores. SM's property arm, SM Prime Holdings, Inc., is among the largest integrated property developers in the Philippines with interests in mall, residential, commercial and tourism development. SM's interests in banking are in BDO Unibank, Inc. (BDO), the country's largest and in China Banking Corporation (China Bank), the fifth largest private bank. Combined, these two banks have a network of over 1,000 branches nationwide.

### **For further information, please contact:**

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[www.sminvestments.com](http://www.sminvestments.com)



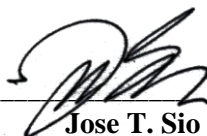
### **SIGNATURE**

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

### **SM INVESTMENTS CORPORATION**

Registrant

Date: 5-6-15

  
\_\_\_\_\_  
**Jose T. Sio**  
**Executive Vice President**  
**and Chief Financial Officer**