

SEC Number 16342
PSE Disclosure Security Code _____

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. **March 04, 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**
Province, country or other jurisdiction of incorporation
6. (SEC Use Only)
Industry Classification Code:
7. **10th Floor, One E-Com Center, Harbor Drive, Mall of Asia Complex, CBP-IA, Pasay City 1300**
Address of principal office Postal Code
8. **(632) 857-0131**
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	798,856,971
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.....	

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



PRESS RELEASE

SM Posts 14.4% Growth in Recurring Net Income in 2014

(04 March 2015. Pasay City, Philippines) [SM Investments Corporation](#) (SM) reported a record net income in 2014 of PHP28.4 billion. Excluding extraordinary items, recurring net income grew 14.4%.

SM's underlying earnings growth was mainly driven by [BDO Unibank, Inc.](#), which posted a core income growth of 18%. Together with [China Banking Corporation](#), banks accounted for 41% of SM's consolidated net income in 2014. Property contributed 38% and retail 21%.

The record 2014 consolidated net income of PHP28.4 billion compares with PHP27.4 billion in 2013. These include exceptional items such as trading gains from the group's banking businesses.

Consolidated revenues grew 9% to PHP275.7 billion in 2014 from PHP253.3 billion in 2013. This was the result of a good retail sales environment which also boosted rental revenues in SM's property business.

The total assets of SM grew 12% in the past year to PHP711.9 billion. SM maintains a very healthy balance sheet with a conservative gearing ratio of 34% net debt to 66% equity.

SM raised PHP15 billion in May 2014 from a public offer of peso-denominated retail bonds with maturities of 7 and 10 years. The SM bonds were rated Aaa by Philippine Rating Services Corporation, the highest rating assigned by the credit rating firm.

In June 2014, SM issued a USD350 million 10-year senior unsecured bond at a fixed rate of 4.875% per annum, a landmark transaction marking the longest-dated USD bond issued by SM and the company's fourth USD bond issuance since 2009. The issuance earned [SM the Region's Best Borrower Award from Hong Kong publication Finance Asia](#).

"The group's strong underlying earnings growth of 14.4% in 2014 was the result of solid performance and ongoing expansion in all our three core businesses. During the year we raised additional capital and entered into several strong partnerships, accelerating our investments for growth and ensuring we expand in line with our continuing optimism about the economic prospects of the Philippines," SM President Harley T. Sy said.

Banking

BDO Unibank, Inc. (BDO) recorded net income attributable to equity holders of the parent of PHP22.8 billion compared with PHP22.6 billion in 2014. BDO's recurring income grew 18%, excluding one-off trading gains in 2013.

Net interest income grew 19% to PHP51.2 billion in 2014, mainly due to 20% growth in the bank's customer loan business to PHP1.1 trillion. Meanwhile, total deposits registered PHP1.5 trillion, 11% higher than the previous year.

BDO's total capital adequacy ratio (CAR) of 14.4% and common equity tier 1 (CET 1) ratio of 12.4% remain well above the Basel III regulatory minimums of 10% and 6% respectively.

BDO continues to be the largest bank in the Philippines in terms of total resources, loans and deposits and is the leader in investment and private banking.

Meanwhile, China Banking Corporation (China Bank) posted a full year consolidated net income of P5.11 billion in 2014 on the back of sustained growth in core business operations. This translates to a return on equity of 9.90% and return on assets of 1.12%.

China Bank's net interest income grew 42% to P14.09 billion, largely due to earnings from loans and receivables. Total operating income reached P18.85 billion, up 25%.

Property

SM also drew strength from its property operations through [SM Prime Holdings, Inc.](#) which registered consolidated net income of PHP18.4 billion in 2014, up 13% on revenue growth of 11% to PHP66.2 billion.

SM Prime's rental revenues rose 13% to PHP36.5 billion from PHP32.2 billion in 2013, mainly from new malls openings and expansions in 2013 and 2014, together with sustained same-store rental growth of 7%. SM Prime's housing group recorded a 7% increase in real estate sales in 2014 to PHP22.2 billion, with reservation sales increasing 36.5% to PHP35.9 billion. Mall cinemas generated ticket sales of PHP4.3 billion, an increase of 14% during the period under review.

2014 marked a significant milestone as SM Prime opened its [50th mall in Angono, Rizal province](#), bringing its total gross floor area to 6.5 million sqm. SM Megamall became the country's largest mall with a gross floor area of 484,373 sqm after opening its 101,005 sqm Mega Fashion Hall.

SM Prime continued its successful development of malls in China and plans to open one mall per year going forward. SM Prime's sixth mall in China will be in Zibo, Shandong Province and its largest mall, spanning 540,000 sqm, will open in the Tianjin Binhai New Area. Currently SM Prime operates five malls in China with a total gross floor area of almost 800,000 sqm.

Retail Operations

Its retail operations under [SM Retail Inc.](#) sustained its growth with net income increasing by 3.3% to PHP5.9 billion while total sales rose 9.0% to PHP197.1 billion.

SM's food retail business continued to expand in both urban and rural communities, adding 28 new stores in various parts of Luzon, Visayas and Mindanao. SM Retail forged strong partnerships with local and foreign players to accelerate its expansion program, growing its community mall

supermarket presence through relationships with CityMalls and WalterMart and developing small format mini-marts in conjunction with Alfamart.

In the department store business, the SM Store added new locations in Cauayan, Isabela and Cabanatuan, Nueva Ecija. The SM Store continued to innovate and enhance its store layout and design and to introduce new brands to its merchandise mix. In the last few years, SM has introduced fashion brands such as Forever 21, Uniqlo, Sfera, Suite Blanco, Josef and other lifestyle brands such as Uno de 50 and Crate and Barrel.

At end 2014, SM Retail had a total of 269 stores, comprising 50 SM Stores, 40 SM Supermarkets, 42 SM Hypermarkets, 113 Savemore stores and 24 WalterMart stores.

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. Combined, these two banks have a network of over 1,000 branches nationwide.

For further information, please contact:

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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.

Date: 04-March-15

SM INVESTMENTS CORPORATION

Registrant

A handwritten signature in black ink, appearing to read 'Jose T. Sio', written over a horizontal line.

Jose T. Sio
Executive Vice President & CFO
Corporate Information Officer