



**INVESTMENTS
CORPORATION**

May 9, 2018

PHILIPPINE STOCK EXCHANGE, INC.

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

Attention: **Mr. Jose Valeriano B. Zuño III**
OIC - Head, Disclosure Department

Ms. Christina Marie C. Fortes
Assistant Manager, Disclosure Department

PHILIPPINE DEALING & EXCHANGE CORP.

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

Attention: **Ms. Kathlene Anne F. Famadico**
OIC, Issuer Compliance and Disclosure Department

Re: **Press Release - SM Consolidated Net Income Up 10% in Q1,
Revenue Growth Increases to 11%**
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Ladies and Gentlemen:

Please be informed that SM Investments Corporation (SMIC) is releasing to the press the attached statement entitled "SM Consolidated Net Income Up 10% in Q1, Revenue Growth Increases to 11%."

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Elmer B. Serrano', written over a horizontal line.

ELMER B. SERRANO
Corporate Secretary

Encl. a/s



SM Consolidated Net Income Up 10% in Q1, Revenue Growth Increases to 11%

(9 May 2018. Pasay City, Philippines) SM Investments Corporation (SM) reported its consolidated net income grew 10% in the first quarter of 2018 to PHP8.5 billion from PHP 7.7 billion in the same period the previous year. Consolidated revenues rose 11% to PHP95.0 billion from PHP85.4 billion in the same quarter in 2017.

“We continue to build on our strong 2017 performance with revenues rising faster in the first quarter this year. Looking ahead we remain cautiously optimistic about underlying consumption trends despite inflationary pressures,” SM President Frederic C. DyBuncio said.

For the first quarter, property accounted for 46% of SM’s consolidated net income, followed by banks at 32% and retail at 22%.

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 sales of 10% to PHP67.4 billion in the first quarter, while net income rose 14% to PHP2.6 billion.

At end-March, SM Retail had a total of 2,081 stores comprising 59 THE SM STOREs, 1,283 specialty retail stores, 53 SM Supermarkets, 47 SM Hypermarkets, 186 Savemore, 46 WalterMart and 407 Alfamart stores.

Revenues from SM Retail’s specialty retail stores grew 16% to PHP17.4 billion, in part driven by expansion and new formats such as Miniso, which has 48 stores at the end of the first quarter.

Property

SM Prime Holdings, Inc. (SM Prime) reported overall net income growth of 15% in the first quarter to PHP7.6 billion. Consolidated revenues rose 14% to PHP23.4 billion in the first quarter.

The mall business, which accounted for 59% of consolidated revenues, grew 10% to PHP13.9 billion. New malls opened in 2016 and 2017 boosted mall rental income by 12% to PHP11.9

billion.

Same-mall-sales grew 7%.

Revenues for the residential group, led by SM Development Corporation (SMDC), increased 25% to PHP7.5 billion in the period and accounted for 32% of total revenues. SMDC's reservation sales grew 20% to PHP14.8 billion in the first quarter.

Banking

For the first quarter of 2018, BDO Unibank posted a net income of PHP5.9 billion, steady from the year-ago level. Net interest income grew 20% to PHP22.2 billion, supported by an 18% increase in gross customer loans to PHP1.8 trillion and a 16% growth in total deposits to PHP2.2 trillion.

China Banking Corporation (China Bank) reported its net income grew 2% to PHP1.5 billion in the first quarter. Net interest income rose 18% to PHP5.3 billion.

Balance Sheet

As of end-March, total assets of SM grew 9% to PHP972.1 billion. SM maintains a healthy balance sheet with a conservative gearing ratio of 44% net debt to 56% 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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