

AS094-000088

SEC Registration Number

SM PRIME HOLDINGS, INC. AND SUBSIDIARIES

(Company's Full Name)

10th Floor Mall of Asia Arena Annex Building, Coral Way cor. J.W. Diokno Blvd., Mall of Asia Complex, Brgy. 76 Zone 10, CBP-1A, Pasay City 1300

Mr. John Nai Peng C. Ong

(Contact Person)

831-1000

(Company Telephone Number)

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Month Day
(Annual Meeting)

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Amended Articles Number/Section

Total No. of Stockholders

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Domestic Foreign

To be accomplished by SEC Personnel concerned

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## PRESS RELEASE

### **SM Prime Net Income Up by 16% to PHP19.30 billion in 1H2019**

(15 July 2019, Pasay City, Philippines) [SM Prime Holdings, Inc.](#) (SM Prime), one of the largest integrated property developers in Southeast Asia, recorded a 16% growth in its overall net income in the first half of 2019 to PHP19.30 billion from PHP16.62 billion in the first half of 2018. Consolidated revenues increased by 15% to PHP57.05 billion from PHP49.77 billion in the same period last year, while overall operating income went up by 17% to PHP27.42 billion from PHP23.36 billion of the previous year.

The Company's second quarter net income increased by 16% to PHP10.50 billion from PHP9.02 billion of the previous year. Consolidated revenue likewise grew by 16% to PHP30.51 billion from PHP26.42 billion of the second quarter of 2018.

"The country's stable economy has helped SM Prime maintain its growth in all core businesses for the first half of 2019. We are optimistic to sustain this growth moving forward as we launch new projects with the goal of providing more integrated property developments across the Philippines," SM Prime President Jeffrey C. Lim said.

#### **Sustained Mall Operations Growth**

SM Prime's consolidated mall revenues increased by 8% to PHP31.07 billion in the first half of 2019 from last year's PHP28.71 billion. This accounts for 55% of the Company's consolidated revenues. Rental revenues went up to PHP26.22 billion from PHP24.49 billion of the previous year, driven by the 7% same-mall-sales growth as well as the increasing contribution from newly opened and expanded malls in 2018.

Cinema and event ticket sales recorded PHP2.81 billion from PHP2.59 billion, a 9% increase from the same period last year. Summer blockbuster movies shown between April and June drove the growth in this segment including "Avengers: The Endgame," "Captain Marvel," and "Aladdin (2019)." Meanwhile, other revenues, which include leisure, entertainment and merchandise sales jumped by 24% to PHP2.03 billion from PHP1.64 billion of last year.

Mall operating income improved by 9% to PHP17.28 billion from PHP15.90 billion, translating to higher operating income margin of 56% from 55% of the same period last year.

SM Prime has 72 malls in the Philippines and 7 malls in China with a total gross floor area (GFA) of 9.7 million square meters (sqm.) as of June 2019. The Company is scheduled to launch SM Center Dagupan, SM City Olongapo Central, SM City Butuan and SM Mindpro Citimall in Zamboanga in the second half of the year.

### **Continuous Increase in Residential Demand**

SM Prime's residential group, which accounts for 38% of consolidated revenues, reported a 26% revenue increase to PHP21.43 billion in the second half of 2019 from PHP17.05 billion of last year. High-rise housing projects in Metro Manila launched from 2016 to 2018 continue to drive the growth of this segment.

SM Development Corporation (SMDC), the Company's primary residential business unit, recorded a 20% increase in reservation sales for the first six months of 2019 to PHP41.46 billion from PHP34.45 billion of last year. This is brought about by the 6% increase in unit sales to 9,877 units from 9,319 units in the same period last year. Lane Residences in Davao City topped the sales during the period, followed by Sail Residences in Pasay City, and Glam Residences in Quezon City.

### **Solid Contributions from Other Businesses**

SM Prime's other businesses, led by Commercial Properties Group and Hotels and Convention Centers, reported a combined revenue growth of 13% to PHP4.63 billion in the first half of the year from PHP4.11 billion of the same period last year. Operating income improved by 18% to PHP2.34 billion from PHP1.99 billion of the same period last year, while operating income margin moved up to 51% from 48% in the same period under review.

SM Prime has 11 office buildings with a combined GFA of 642,000 sqm as of June 2019. The Company's first campus-building, the NU Tower, in the Mall of Asia Complex, Pasay City is set to be launched on the second half of 2019, while the FourE-Com Center is scheduled by 2020. Meanwhile, the Hotels and Convention Centers business unit currently has seven hotels with over 1,700 rooms, four convention centers and three trade halls. The Company launched Park Inn by Radisson – Iloilo last April and is set to launch Park Inn by Radisson – North EDSA on the second half of 2019.

SM Prime remains committed to its role as a catalyst for economic growth, delivering innovative and sustainable lifestyle cities, thereby enriching the quality of life of millions of people.

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**For further information, please contact:**

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## SIGNATURES

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 PRIME HOLDINGS, INC.**  
Registrant

Date: July 15, 2019



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**TERESA CECILIA H. REYES**  
Vice President - Finance