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SEC Registration Number

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(Company's Full Name)

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Mr. Jeffrey C. Lim
(Contact Person)

831-1000
(Company Telephone Number)

0	2	2	3
<i>Month</i>		<i>Day</i>	
<i>(Calendar Period)</i>			

1	7	-	C
<i>(Form Type)</i>			

<i>Month</i>		<i>Day</i>	
<i>(Annual Meeting)</i>			

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

<i>Domestic</i>	<i>Foreign</i>

To be accomplished by SEC Personnel concerned

<i>File Number</i>									

LCU

<i>Document ID</i>									

Cashier

S T A M P S

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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. February 23, 2015
Date of Report

2. SEC Identification Number AS094-000088 3. BIR Tax Identification No. 003-058-789

4. SM PRIME HOLDINGS, INC.
Exact name of registrant as specified in its charter

5. PHILIPPINES 6. (SEC Use Only)
Province, country or other jurisdiction of Industry Classification Code:
incorporation

7. 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, Philippines 1300
Address of principal office Postal Code

8. (632) 831-1000
Registrant's telephone number, including area code

9. N/A
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, P1 PAR VALUE	28,879,137,294
.....	
.....	
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11. Indicate the item numbers reported herein: ITEM # 9, LETTER B.



Press Release

SM Prime net income grew by 13% to PHP18.4bn in 2014

(23 February 2015, Pasay City, Philippines) [SM Prime Holdings, Inc.](#) (SM Prime), one of the leading integrated property companies in Southeast Asia, reported a full year consolidated net income growth of 13% to PHP18.4 billion in 2014 on the back of a revenue growth of 11% to PHP66.2 billion.

“The encouraging financial performance in 2014 reiterates that the transformation of SM Prime into a property conglomerate is bearing fruits and trending above management expectations. We expect this performance to be surpassed this year as the company pursues its 2015 expansion plans with the opening of four new malls, the completion of FiveE-comCenter and the launch of five new housing projects. This is to complement the expansion of existing malls and on-going construction of high-rise residential development projects.” SM Prime President Hans T. Sy said.

SM Prime’s rental revenues from retail and commercial spaces grew by 13% to PHP36.5 billion in 2014 from PHP32.2 billion in 2013. Rental revenues accounted for 55% of SM Prime’s consolidated revenues. Management attributed the increase in rental revenue mostly to the new malls that opened and the expansion of existing malls in 2013 and 2014, namely, [SM Aura Premier](#) in Taguig, [SM City BF Parañaque](#), [Mega Fashion Hall in SM Megamall](#) in Mandaluyong, [SM City Cauayan](#) in Isabela province and [SM Center Angono](#) in Rizal province, which have a combined total gross floor area of 564,000 square meters. Growth was also partly due to [TwoE-comCenter](#) at the Mall of Asia Complex which opened in 2012 and is now fully occupied. Meanwhile, same-store rental grew by 7%, sustaining the growth posted in 2013.

SM Prime’s housing group, which accounted for 33% of consolidated revenues, continued to show improvements. The group recorded a 7% increase to PHP22.2 billion in real estate sales in 2014 mainly driven by the increase in the pace of construction of sold units in [Grace Residences](#) in Taguig, [Shell Residences in Pasay](#), [Breeze Residences in Pasay](#), [Green Residences in Manila](#), [Grass Residences Phase 2 in Quezon City](#) and [Trees Residences in Quezon City](#). Meanwhile, reservation sales hit PHP35.9 billion in 2014 from only PHP26.3 billion in 2013. Most of the reservation sales were from [Shore Residences](#) and [Air Residences](#) projects in Pasay and Makati respectively.

The [mall's cinemas](#) generated ticket sales of PHP4.3 billion, an increase of 14% during the period under review. The increase was driven by the opening of additional digital cinemas in the new malls and expanded malls and by the launch of international and local blockbuster movies. Excluding the new malls and expansions, same-store cinema ticket sales grew by 10%. Meanwhile, amusement and other revenues increased by 8% to PHP3.3 billion in 2014. The increase was mainly due to the strong patronage of amusement rides and additional recreational facilities provided by management in various malls. Cinemas and amusements accounted for 12% of SM Prime consolidated revenues in 2014.

SM Prime's consolidated costs and expenses increased by 8% to PHP38.6 billion in 2014 compared with last year's PHP35.7 billion. The bulk of the increase came from depreciation expenses attributed to new malls added in the past 12 months. Film rentals were also higher as it corresponded to the growth in cinema ticket sales in 2014.

Consolidated costs of real estate was PHP12.3 billion in 2014, up by 3% from last year. The slower increase in expenses was attributed to improving cost efficiencies as well as rationalization of expenses. This resulted to improvement in gross margin to 45% in 2014 from 43% the previous year. Meanwhile, net income margin was sustained at 21%.

SM Prime's overall interest expense increased by 11% to PHP4.1 billion in the 2014 compared with PHP3.7 billion the previous year. The increase was due to new bank loans and the PHP20 billion retail bond availed in third quarter of 2014.

SM Prime is an integrated property development company that acts as a catalyst for economic growth, committed to deliver innovative and sustainable lifestyle cities, thereby enriching the quality of life of millions of people.

-End-

For further information, please contact:

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SM PRIME HOLDINGS, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEETS
(Amounts in Thousands)

	December 31, 2014	December 31, 2013
ASSETS		
Current Assets		
Cash and cash equivalents	P37,202,006	P27,141,506
Short-term investments	–	887,900
Investments held for trading	967,511	1,151,464
Receivables	30,686,968	27,184,434
Condominium and residential units for sale	7,578,885	6,102,653
Land and development - current portion	19,539,635	13,281,246
Available-for-sale investments	676,755	663,456
Prepaid expenses and other current assets	10,292,640	9,936,120
Total Current Assets	106,944,400	86,348,779
Noncurrent Assets		
Available-for-sale investments - net of current portion	28,994,983	22,705,618
Property and equipment - net	2,258,387	1,578,893
Investment properties - net	202,397,504	171,666,409
Land and development - net of current portion	22,701,359	21,539,938
Derivative assets	1,632,814	1,778,810
Deferred tax assets - net	656,756	690,525
Other noncurrent assets	23,255,887	29,274,710
Total Noncurrent Assets	281,897,690	249,234,903
	P388,842,090	P335,583,682
LIABILITIES AND EQUITY		
Current Liabilities		
Loans payable	P2,670,000	P3,250,000
Accounts payable and other current liabilities	38,804,740	45,298,216
Current portion of long-term debt	11,006,880	7,387,260
Income tax payable	809,628	946,593
Total Current Liabilities	53,291,248	56,882,069
Noncurrent Liabilities		
Long-term debt - net of current portion	115,606,147	95,675,730
Tenants' deposits	11,461,147	10,248,792
Liability for purchased land - net of current portion	1,170,855	1,117,809
Deferred tax liabilities - net	1,869,504	2,022,539
Derivative liabilities	58,705	159,974
Other noncurrent liabilities	3,149,008	3,255,244
Total Noncurrent Liabilities	133,315,366	112,480,088
Total Liabilities (Carried Forward)	186,606,614	169,362,157

	December 31, 2014	December 31, 2013
Total Liabilities (Brought Forward)	₱186,606,614	₱169,362,157
Equity Attributable to Equity Holders of the Parent		
Capital stock	33,166,300	33,166,300
Additional paid-in capital - net	39,302,194	22,303,436
Cumulative translation adjustment	840,430	1,381,268
Net unrealized gain on available-for-sale investments	25,905,440	19,958,330
Net fair value changes on cash flow hedges	249,332	429,149
Remeasurement loss on defined benefit obligation	(144,251)	771
Retained earnings:		
Appropriated	42,200,000	42,200,000
Unappropriated	60,921,048	47,807,664
Treasury stock	(3,355,530)	(3,980,378)
Total Equity Attributable to Equity Holders of the Parent	199,084,963	163,266,540
Non-controlling Interests	3,150,513	2,954,985
Total Equity	202,235,476	166,221,525
	₱388,842,090	₱335,583,682

SM PRIME HOLDINGS, INC. AND SUBSIDIARIES**UNAUDITED CONSOLIDATED STATEMENTS OF INCOME**

(Amounts in Thousands)

	Years Ended December 31		
	2014	2013	2012
REVENUE			
Rent	₱36,497,242	₱32,195,285	₱28,951,727
Sales:			
Real estate	22,151,618	20,775,195	22,575,692
Cinema ticket	4,268,531	3,740,030	3,477,262
Others	3,322,679	3,083,900	2,210,413
	66,240,070	59,794,410	57,215,094
COSTS AND EXPENSES	38,554,040	35,658,865	35,145,277
INCOME FROM OPERATIONS	27,686,030	24,135,545	22,069,817
OTHER INCOME (CHARGES)			
Interest expense	(4,099,499)	(3,686,603)	(3,064,825)
Interest and dividend income	731,884	1,093,870	1,062,028
Restructuring costs and others – net	(644,758)	(832,721)	366,874
	(4,012,373)	(3,425,454)	(1,635,923)
INCOME BEFORE INCOME TAX	23,673,657	20,710,091	20,433,894
PROVISION FOR (BENEFIT FROM) INCOME TAX			
Current	4,645,508	4,392,114	3,687,530
Deferred	131,660	(407,951)	102,931
	4,777,168	3,984,163	3,790,461
NET INCOME	₱18,896,489	₱16,725,928	₱16,643,433
Attributable to			
Equity holders of the Parent	₱18,390,352	₱16,274,820	₱16,202,777
Non-controlling interests	506,137	451,108	440,656
	₱18,896,489	₱16,725,928	₱16,643,433
Basic/Diluted earnings per share	₱0.660	₱0.586	₱0.584


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: February 23, 2015


TERESA CECILIA H. REYES
Vice President - Finance