

COVER SHEET

AS094-000088

SEC Registration Number

SM PRIME HOLDINGS, INC. AND SUBSIDIARIES

(Company's Full Name)

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

Teresa Cecilia H. Reyes

(Contact Person)

831-1000

(Company Telephone Number)

08 04

Month Day (Calendar Period)

17-C

(Form Type)

Month Day (Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

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 4, 2014  
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. 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
<b>COMMON STOCK, P1 PAR VALUE</b>	<b>27,819,137,294</b>
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11. Indicate the item numbers reported herein: ITEM # 9, LETTER B.



## Press Release

### **SM Prime net income up 12% to Php9.8 billion in first half 2014**

(04 August 2014, Pasay City, Philippines) SM Prime Holdings, Inc. (SM Prime), one of the leading integrated property development companies in Southeast Asia, reported consolidated net income increase of 12% to Php5.22 billion in the second quarter of 2014 from Php4.66 billion in the same period last year, slightly higher than the 11% growth posted the previous quarter. Consolidated revenues, posted higher growth of 11% to Php18.08 billion, year-on-year from previous quarter growth of 3%. This brought first half 2014 income and revenue figures to Php9.80 billion, up by 12%, and Php33.42 billion, up by 7%, respectively.

“The results were very encouraging as we sustained our growth from the previous quarter. This gives us confidence to meet our full year target. We are looking forward to hitting our key targets for the rest of the year. This should pave the way in achieving our 5-year roadmap set in April of this year.” said SM Prime President Hans T. Sy.

Rental revenues (accounted for 50% of the consolidated revenues) grew by 13% to Php9.11 billion in second quarter 2014 from Php8.08 billion in same period in 2013. In the first six months, rental revenues rose 12% to Php17.67 billion. The increase in rental revenue was primarily due to the new malls opened in 2013 and 2014 plus the shopping spaces added in existing malls namely in SM Megamall which contributed an additional 101,000 sqm. The cumulative mall space added in the past two years was close to 550,000 sqm, an increase by 8% to 6.57 million sqm. Meanwhile, same-store rental growth was at 7% in the second quarter, sustaining the growth posted in the first quarter of the year. In the first six months, same-store rental growth remained at 7%.

Real estate sales (38% of consolidated revenue) recovered, posting 9% growth, in the second quarter to Php6.89 billion from the Php6.34 billion posted a year ago, as compared with the 17% decline recorded in the previous quarter. In the first six months, real estate sales decline by 4% to Php11.90 billion. The second quarter growth was attributed to more projects that were almost completed in the period under review, particularly the Grace and Breeze Residences. SM Prime expects the housing unit group to sustain its growth for the rest of the year as more projects reach completion while new housing projects are lined-up for launch over the next 12 months.

Cinema ticket sales increased by 11% to Php1.29 billion in the second quarter from Php1.16 billion in 2013. In the first half, cinema ticket sales grew by 23% to Php2.35 billion. The increase was due to the opening of digital cinemas at the new malls and the showing of blockbuster movies.

Amusement and other revenues likewise increased by 24% to Php791 million in the second quarter of 2014 from Php638 million in 2013. The increase was mainly due to the strong patronage of amusement rides and additional recreational facilities provided by management in various malls. The revenue in the first half 2014 of this unit reached Php1.50 billion, up by 27% from a year ago.

SM Prime's consolidated operating expenses, excluding real estate related costs, increased by 12% to Php6.62 billion in the second quarter 2014 compared with last year's Php5.89 billion. In the first six months, consolidated operating expenses rose by 13% to Php12.51 billion. 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.

Consolidated costs of real estate were at Php3.82 billion in the second quarter 2014, almost flat from last year's figure of Php3.83 billion. This was attributed to efficient management and the reigning-in of construction costs. In the first six months, consolidated costs of real estate posted a 10% decline to Php6.75 billion. The decline in costs and recovery in revenues resulted to gross margin enhancement of 43% in the first half of 2014 from only 39% in the same period last year.

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. It is the country's largest property firm and one of Southeast Asia's largest real estate companies with interests in malls, residences, commercial buildings, hotels and convention centers and leisure resorts.

-End-

For further information, please contact:

**Alex Pomento**

Vice President, Investor Relations

SM Prime Holdings, Inc.

E-mail: [alex.pomento@smprime.com](mailto:alex.pomento@smprime.com)

Tel. no.: +632 862 7940

## 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: August 4, 2014



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