

COVER SHEET

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SEC Registration Number

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(Company's Full Name)

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Teresa Cecilia H. Reyes

(Contact Person)

831-1000

(Company Telephone Number)

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Month Day
(Calendar Period)

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(Form Type)

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Month Day
(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings	
_____	_____
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. November 3, 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
COMMON STOCK, P1 PAR VALUE	27,819,137,294
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11. Indicate the item numbers reported herein: ITEM # 9, LETTER B.



Press Release

SM Prime sustains income growth of 12% in 3Q14 to Php3.7billion

(03 November 2014, Pasay City, Philippines) SM Prime Holdings, Inc. (SM Prime), one of the leading integrated property development companies in Southeast Asia, reported a consolidated net income increase of 12% to Php3.7 billion in the third quarter of 2014 from Php3.3 billion in the same period last year, sustaining the 12% growth posted in the first half of the year. This brought nine months 2014 income and revenue figures to Php13.5 billion, up by 12%, and Php47.8 billion, up by 9%, respectively.

“Our first year as a consolidated property business is proving to be rewarding not only in terms of our strong financial performance. We are now enjoying the scale and the synergy that the whole group brings to the table, which allows us to plan and execute our projects in a manner that will provide greater value and more enhanced lifestyles for our customers.” SM Prime President Hans T. Sy said.

SM Prime’s rental revenues from retail and commercial space grew by 11% to P26.4 billion from P23.8 billion in 2013 in the first nine months of the year. The group 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, SM City BF Parañaque, Mega Fashion Hall in SM Megamall, and SM City Cauayan, with a combined total gross floor area of 527,000 square meters. Part of the growth also came from TwoE-com Center in Mall of Asia Complex which opened in 2013 and is now fully occupied. Meanwhile, same-store rental grew by 7%, sustaining the growth posted in the first half of the year.

Real estate sales which accounted for 33% of consolidated revenues continued to show improvements. SM Prime’s housing subsidiary, SM Development Corp. (SMDC) posted a 12% increase in revenues to Php3.7 billion in the third quarter this year from only Php3.3 billion posted a year ago. The strong performance in the third quarter was driven by the increase in construction accomplishments of sold units in Grace, Shell and Breeze Residences. Revenues for the first nine months stood at Php16.0 billion, slightly higher than the previous year’s Php15.8 billion. SM

Prime expects better results toward the end of the year as more projects are expected to be completed. New housing projects are also lined up for launch over the next 12 months.

The mall's cinemas generated Php913 million in ticket sales, up 16% in the third quarter from Php789 million in 2013. This brought the nine-month ticket sales to Php3.3 billion, an increase of 21% in 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 16%.

Amusement and other revenues increased by 7% in the third quarter to Php623 million, and by 20% in the first nine months of 2014 to Php2.1 billion from Php1.8 billion 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 growth of SM Prime's consolidated costs and expenses was benign with an increase of only 5% to Php27.7 billion in nine months of 2014 compared with last year's Php26.4 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.

Consolidated costs of real estate were down by 5% to Php9.1 billion in the nine months of the year. The decrease was attributed to efficient management and control of construction costs allowing gross margins to improve from 40% to 43%. Meanwhile, net income margin was sustained at 21%.

In the third quarter, SM Prime successfully issued Php20 billion in retail bonds with tenors of 5.5 years, 7 years and 10 years. The bonds fetched fixed interest rates of 5.1000%, 5.2006% and 5.7417%, respectively. As of end September, SM Prime's net debt to equity ratio increased to 35:65, indicative of a very sound financial position and ability to carry out its long-term expansion programs. Their planned capex for 2014 is Php60 billion, of which Php30 is for mall development, Php22 for residential development, and the remaining for office buildings, hotels and land banking for various purposes.

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.

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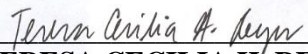
Tel. no.: +632 862 7940

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: November 3, 2014


TERESA CECILIA H. REYES
Vice President – Finance