

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. September 18, 2006
Date of Report
- 2. SEC Identification Number 0000-88 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 SM Corporate Offices, Building A, 2000 Bay Boulevard, SM Central Business Park, Bay City, Pasay City, Metro Manila 1226
Address of principal office Postal Code

- 8. (632) 831-1000
Registrant's telephone number, including area code
- 9. _____
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	9,935,294,157
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11. Indicate the item numbers reported herein: **ITEM # 9, LETTER B.**

SM Prime Opens 2nd Mall in Batangas with SM City Lipa

SM Prime Holdings, Inc. (“SM Prime”) will open its second mall in Batangas Province on September 22. SM City Lipa, which is strategically located along the Lipa’s Ayala Highway, occupies 103,242 square meters (sqm) of land, with 77,682 sqm of gross floor area.

SM City Lipa will house among others, an SM Supermarket, an SM Department Store, a foodcourt and four cinemas. The cinemas will have a total of almost 2,500 seats and a provision for 1,295 parking slots. Other mall tenants include Watson's, Go Nuts Donuts, Yellow Cab, Max's, Gerry's Grill, Naf Naf, Folded & Hung, So Fab, McDonald's, Jollibee, and KFC, among others.

SM Prime President Mr. Hans Sy said, “With its large and progressive population base, sea ports, rich marine resources, and relative proximity to Metro Manila, Batangas is an important location for SM malls. Its growth will be one of the fastest among the key provinces in the country and we would like to be a bigger part of that growth. Lipa is a bustling city and is one of only three key cities in Batangas. We are happy to make it a part of the still growing family of SM Prime malls.”

Lipa City has a population of nearly 200,000 and boasts of natural attractions such as nearby Mounts Malarayat and Makulot. More importantly, it is a major commercial, educational, and industrial destination, making it an ideal location for an SM Mall.

Other malls opened this year were SM City Sta. Rosa, SM City Clark, the highly successful SM Mall of Asia and just last August 18, SM Supercenter Pasig, bringing total number of malls to 27 with a gross floor area of 3.6 million sqm.

SM Prime is a subsidiary of holding company SM Investments Corporation.

-End-

For further information, please contact:

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SM Prime Holdings, Inc.
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Tel no: 831-1000 loc. 1401

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: September 18, 2006

(original signed) _____
JEFFREY C. LIM
Executive Vice President