

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 17, 2012
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. _____
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	13,898,943,067
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11. Indicate the item numbers reported herein: ITEM # 9, LETTER B.



Press Release

SM Prime Posts 15% Growth in 2011 Net Income of Php9.1 billion

(17 February 2012. Pasay City, Philippines.) SM Prime Holdings, Inc. (SM Prime), the Philippines' dominant shopping mall developer and operator, exceeded its 2011 profit growth target by attaining a 15% increase in consolidated net income to Php9.1 billion for the full year, as compared to Php7.9 billion in 2010. Total revenues for the year rose by 13% to Php26.9 billion. EBITDA increased 16% to Php18.5 billion, for an EBITDA margin of 69%. These results include the operations of the four SM malls in China, which are located in the cities of Xiamen and Jinjiang in Southern China, Chengdu in Central China, and Suzhou in Eastern China.

SM Prime's better than expected performance was brought about by a mix of expanded capacity from new malls in the Philippines that opened in 2010 and 2011, and very healthy same-store rental growth of 7%. In addition, SM Prime's four shopping malls in China sustained their robust growth, with net income doubling to Php889.0 million in 2011, from Php428.0 million in 2010. A tighter grip on operating expenses through the use of innovative energy conservation methods likewise contributed to the company's rise in profits.

SM Prime President Mr. Hans T. Sy said, "SM Prime's noteworthy performance in 2011, which was achieved in spite of tempered economic progress, clearly shows that the business formula the company has adopted is resilient and built for sustainable growth. Now that there is better optimism on the country's prospects, the company is even more eager to pursue its growth and expansion plans, as a fitting tribute to all our stakeholders, who we sincerely thank for loyally supporting us all through these years."

For full year 2011, SM Prime's consolidated rental revenues contributed 85% to the total, and grew by 14% to Php22.8 billion. New rental space came from SM City Tarlac, SM City San Pablo, SM City Calamba, SM City Novaliches and SM City Masinag. Combined, the new malls added 380,000 square meters (sqm) to the company's total gross floor area (GFA) and presently register an average occupancy rate of 97%.

Cinema ticket sales from January to December 2011 increased by 10% due to popular movies shown during the period. The major blockbusters were “Transformers 3: Dark of the Moon”, “Praybeyt Benjamin”, “Harry Potter and the Deathly Hallows Part 2”, “No other Woman”, and “Twilight Saga: Breaking Dawn Part 1”.

Last week, SM Prime inaugurated SM City Olongapo, its first mall in the province of Zambales. For the rest of 2012, SM Prime is scheduled to open SM City Lanang in Davao City, SM City General Santos in Southern Mindanao, SM City Consolacion in Cebu, SM City San Fernando in Pampanga, and SM Chongqing in China.

SM Prime is focused on developing malls in provincial areas of the Philippines, where it aims to open three to four malls every year. In China, the company will continue to open one mall per year, with increased momentum by 2014, when it is scheduled to open its 540,000-sqm mall in Tianjin.

By the end of this year, SM Prime will have 46 malls in the Philippines and five in China with an estimated combined GFA of 6.3 million sqm.

-End-

For further inquiries:
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SM Prime Holdings, Inc.
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SM PRIME HOLDINGS, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEETS

	December 31	
	2011	2010
ASSETS		
Current Assets		
Cash and cash equivalents	P8,290,216,039	P9,719,718,284
Short-term investments	876,800,000	876,800,000
Investments held for trading	812,953,412	500,134,177
Receivables	4,940,102,186	4,189,315,348
Available-for-sale investments	1,000,000,000	1,104,161,471
Prepaid expenses and other current assets	1,276,452,460	1,104,217,482
Total Current Assets	17,196,524,097	17,494,346,762
Noncurrent Assets		
Investment properties - net	107,836,216,127	93,940,301,554
Derivative assets	115,618,680	738,228,976
Deferred tax assets	254,132,999	223,266,010
Other noncurrent assets	3,153,887,932	3,946,369,661
Total Noncurrent Assets	111,359,855,738	98,848,166,201
	P128,556,379,835	P116,342,512,963
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and other current liabilities	P10,150,278,123	P6,796,847,322
Current portion of long-term debt	799,086,409	766,703,000
Income tax payable	623,013,182	403,831,964
Total Current Liabilities	11,572,377,714	7,967,382,286
Noncurrent Liabilities		
Long-term debt - net of current portion	40,093,522,320	38,076,546,811
Tenants' deposits	7,467,302,387	6,465,889,827
Deferred tax liabilities	1,258,514,789	1,322,799,401
Derivative liabilities	237,979,926	709,909,803
Liability for purchased land and other noncurrent liabilities	3,579,876,778	2,850,102,189
Total Noncurrent Liabilities	52,637,196,200	49,425,248,031
Equity Attributable to Equity Holders of the Parent		
Capital stock	13,917,800,067	13,917,800,067
Additional paid-in capital - net	8,219,067,298	8,219,067,298
Cumulative translation adjustment	872,658,862	589,700,365
Unrealized gain on available-for-sale investments	-	3,745,323
Retained earnings:		
Appropriated	7,000,000,000	7,000,000,000
Unappropriated	33,865,609,976	28,562,329,066
Treasury stock	(101,474,705)	(101,474,705)
Total Equity Attributable to Equity Holders of the Parent	63,773,661,498	58,191,167,414
Non-controlling Interests		
	573,144,423	758,715,232
Total Stockholders' Equity	64,346,805,921	58,949,882,646
	P128,556,379,835	P116,342,512,963

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

	Years Ended December 31		
	2011	2010	2009
REVENUE			
Rent	₱22,759,402,156	₱19,992,948,925	₱17,658,833,905
Cinema ticket sales	3,051,716,588	2,764,775,099	2,098,612,638
Others	1,086,336,307	958,207,627	740,052,372
	26,897,455,051	23,715,931,651	20,497,498,915
COSTS AND EXPENSES			
Depreciation and amortization	3,829,971,166	3,501,183,977	3,270,784,779
Administrative	3,721,279,667	3,549,874,202	2,689,127,059
Film rentals	1,650,121,989	1,494,236,340	1,118,015,199
Business taxes and licenses	1,510,242,916	1,326,394,330	1,146,588,071
Management fees	794,923,211	647,342,667	595,597,469
Others	770,957,497	752,349,899	925,711,837
	12,277,496,446	11,271,381,415	9,745,824,414
INCOME FROM OPERATIONS	14,619,958,605	12,444,550,236	10,751,674,501
OTHER INCOME (CHARGES) - Net			
Interest and dividend income	361,227,330	251,102,302	423,658,528
Interest expense	(1,948,257,322)	(1,746,215,754)	(1,416,807,840)
Others - net	(812,537,877)	(152,588,284)	(112,043,124)
	(2,399,567,869)	(1,647,701,736)	(1,105,192,436)
INCOME BEFORE INCOME TAX	12,220,390,736	10,796,848,500	9,646,482,065
PROVISION FOR (BENEFIT FROM) INCOME TAX			
Current	2,932,357,842	2,449,966,767	2,323,879,054
Deferred	(94,188,973)	206,748,328	45,765,632
	2,838,168,869	2,656,715,095	2,369,644,686
NET INCOME	₱9,382,221,867	₱8,140,133,405	₱7,276,837,379
Attributable to			
Equity holders of the parent	₱9,055,995,525	₱7,856,348,789	₱7,023,350,225
Non-controlling interests	326,226,342	283,784,616	253,487,154
	₱9,382,221,867	₱8,140,133,405	₱7,276,837,379
Basic/Dilutive Earnings Per Share	₱0.652	₱0.584	₱0.527

SM PRIME HOLDINGS, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2011	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax and non-controlling interests	₱12,220,390,736	₱10,796,848,500	₱9,646,482,065
Adjustments for:			
Depreciation and amortization	3,829,971,166	3,501,183,977	3,270,784,779
Interest expense	1,948,257,322	1,746,215,754	1,416,807,840
Interest and dividend income	(361,227,330)	(251,102,302)	(423,658,528)
Mark-to-market loss (gain) on derivatives	226,901,219	(29,839,113)	(220,310,203)
Unrealized foreign exchange loss (gain) – net	120,523,863	(84,810,032)	(26,539,451)
Unrealized mark-to-market gain on investments held for trading	(13,439,353)	(14,231,667)	(5,564,136)
Operating income before working capital changes	17,971,377,623	15,664,265,117	13,658,002,366
Decrease (increase) in:			
Receivables	(706,117,333)	(515,862,483)	(382,977,478)
Prepaid expenses and other current assets	(165,159,468)	(295,988,909)	339,523,982
Increase in:			
Accounts payable and other current liabilities	3,093,279,729	870,437,601	698,656,743
Tenants' deposits	981,080,452	762,974,229	848,888,049
Cash generated from operations	21,174,461,003	16,485,825,555	15,162,093,662
Income taxes paid	(2,711,823,417)	(2,572,575,448)	(2,561,674,952)
Net cash provided by operating activities	18,462,637,586	13,913,250,107	12,600,418,710
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease (increase) in:			
Investment properties	(16,550,283,823)	(11,221,050,968)	(10,788,585,167)
Other noncurrent assets	854,989,275	(1,299,686,629)	(521,055,620)
Investments held for trading	(299,379,882)	(99,638,981)	(248,996,193)
Available-for-sale investments	100,000,000	–	2,383,633,239
Short-term investments	–	–	475,200,000
Interest and dividend received	348,964,295	239,534,893	479,604,831
Acquisition of non-controlling interests	–	–	(3,384,212,564)
Net cash used in investing activities	(15,545,710,135)	(12,380,841,685)	(11,604,411,474)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availment of loans	15,894,082,275	14,224,724,000	17,364,465,000
Payments to unwinding of interest rate swaps	(76,220,800)	–	–
Proceeds from additional issuance of shares	–	6,413,234,999	–
Payments to maturity of cross currency swaps	–	–	(615,600,000)
Payments of:			
Loans	(14,142,267,058)	(10,338,573,989)	(16,082,755,137)
Dividends	(4,006,411,766)	(3,543,245,554)	(3,492,129,439)
Interest	(2,028,628,142)	(2,355,255,672)	(2,482,588,750)
Net cash provided by (used in) financing activities	(4,359,445,491)	4,400,883,784	(5,308,608,326)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			
	13,015,795	(40,644)	(212,529,024)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
	(1,429,502,245)	5,933,251,562	(4,525,130,114)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR			
	9,719,718,284	3,786,466,722	8,311,596,836
CASH AND CASH EQUIVALENTS AT END OF YEAR			
	₱8,290,216,039	₱9,719,718,284	₱3,786,466,722

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 17, 2012



JEFFREY C. LIM
Executive Vice President