

# COVER SHEET

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SEC Registration Number

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(Company's Full Name)

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(Business Address: No. Street City/Town/Province)

**Mr. Jeffrey C. Lim**

(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

Domestic

Foreign

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To be accomplished by SEC Personnel concerned

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File Number

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Document ID

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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 18, 2013  
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
<b>COMMON STOCK, P1 PAR VALUE</b>	<b>17,373,677,760</b>
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.....	
.....	

11. Indicate the item numbers reported herein: ITEM # 9, LETTER B.



## Press Release

### **SM Prime Full Year 2012 Net Income Grows 16% to Php10.53 billion**

(18 February 2013. Pasay City, Philippines.) SM Prime Holdings, Inc. (SM Prime), the Philippines' dominant shopping mall developer and operator, exceeded its 2012 profit growth target for a second straight year as it registered a 16% increase in consolidated net income to Php10.53 billion for the full year, as compared to Php9.1 billion in 2011. Total revenues for the year rose by 14% to Php30.73 billion. EBITDA increased 12% to Php20.7 billion, for an EBITDA margin of 67%. These results include the operations of the five SM malls in China, in the cities of Xiamen, Jinjiang, Chengdu, Suzhou, and Chongqing.

SM Prime's better-than-expected performance was largely due to rentals from new SM Supermalls launched in 2011 and 2012 coupled with a robust same-store rental growth of 8%. Moreover, SM Prime's shopping malls in China continued to perform well, with net income amounting to Php1.10 billion in 2012, a 24% increase from Php0.89 billion in 2011.

SM Prime President Mr. Hans T. Sy said, "We are very pleased to end 2012 with excellent results. We are confident that the Philippine growth story, which we saw unfold last year will continue in 2013. In line with this, we will proceed with our aggressive expansion plans and continue to pursue new opportunities for growth. We sincerely thank all our stakeholders for another year of remarkable growth and for the confidence they have entrusted upon us."

For full year 2012, SM Prime's consolidated rental revenues contributed 84% to the total, and grew by 14% to Php25.90 billion. New rental space came from SM City Olongapo, SM City Consolacion, SM City San Fernando, SM City General Santos, SM City Lanang, and SM Chongqing.

Operating expenses for full year 2012 increased by 14%, to Php13.99 billion, largely due to expenses related to mall expansion. Income from operations posted a 14% growth from Php14.62 billion in 2011 to Php16.73 billion in 2012.

Cinema ticket sales from January to December 2012 increased by 14% due to a series of both local and international blockbuster movies shown during the period namely "The

Avengers”, “Twilight Saga: Breaking Dawn Part II”, “The Amazing Spiderman”, “This Guy’s in Love with U Mare”, “The Mistress”, and “Sisterakas”. In addition, the conversion of all cinema screens to digital and the roll-out of cinema turnstile system have helped make the cinema viewing experience more convenient for movie-goers.

For 2013, SM Prime is scheduled to open SM Aura Premier in Taguig City and SM Cauayan in Isabela. SM Megamall will be expanded with the construction of Building D.

By the end of this year, SM Prime will have 48 malls in the Philippines and five in China with an estimated combined GFA of 6.7 million sqm.

-End-

For further inquiries:  
Ms. Mary Christine Q. Tan  
Investor Relations Senior Manager  
SM Prime Holdings, Inc.  
E-mail: [tynee.tan@smprime.com](mailto:tynee.tan@smprime.com)  
Tel. no.: 831.1000 loc. 7802

**SM PRIME HOLDINGS, INC. AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED BALANCE SHEETS**

	December 31	
	2012	2011
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	P9,706,857,361	P8,290,216,039
Short-term investments	821,000,000	876,800,000
Investments held for trading	759,300,343	812,953,412
Receivables	6,117,862,190	4,940,102,186
Available-for-sale investments	1,000,000,000	1,000,000,000
Prepaid expenses and other current assets	1,440,189,139	1,276,452,460
Total Current Assets	<b>19,845,209,033</b>	17,196,524,097
<b>Noncurrent Assets</b>		
Investment properties - net	124,087,439,798	107,836,216,127
Derivative assets	109,978,821	115,618,680
Deferred tax assets	190,463,028	254,132,999
Other noncurrent assets	4,134,582,818	3,153,887,932
Total Noncurrent Assets	<b>128,522,464,465</b>	111,359,855,738
	<b>P148,367,673,498</b>	P128,556,379,835
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Loans payable	P800,000,000	P-
Accounts payable and other current liabilities	11,398,520,838	10,150,278,123
Current portion of long-term debt	1,791,703,848	799,086,409
Income tax payable	632,900,873	623,013,182
Total Current Liabilities	<b>14,623,125,559</b>	11,572,377,714
<b>Noncurrent Liabilities</b>		
Long-term debt - net of current portion	49,647,118,755	40,093,522,320
Tenants' deposits	8,386,248,204	7,467,302,387
Liability for purchased land - net of current portion	1,214,756,670	1,551,018,812
Derivative liabilities	244,330,399	237,979,926
Deferred tax liabilities	1,278,194,418	1,258,514,789
Other noncurrent liabilities	2,074,153,476	2,028,857,966
Total Noncurrent Liabilities	<b>62,844,801,922</b>	52,637,196,200
<b>Equity Attributable to Equity Holders of the Parent</b>		
Capital stock	17,392,534,760	13,917,800,067
Additional paid-in capital - net	8,219,067,298	8,219,067,298
Cumulative translation adjustment	544,146,167	872,658,862
Retained earnings		
Appropriated	27,000,000,000	7,000,000,000
Unappropriated	16,890,136,797	33,865,609,976
Treasury stock	(101,474,705)	(101,474,705)
Total Equity Attributable to Equity Holders of the Parent	<b>69,944,410,317</b>	63,773,661,498
<b>Non-controlling Interests</b>	<b>955,335,700</b>	573,144,423
Total Stockholders' Equity	<b>70,899,746,017</b>	64,346,805,921
	<b>P148,367,673,498</b>	P128,556,379,835

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

	Years Ended December 31		
	2012	2011	2010
<b>REVENUE</b>			
Rent	<b>₱25,902,081,684</b>	₱22,759,402,156	₱19,992,948,925
Cinema ticket sales	<b>3,477,261,663</b>	3,051,716,588	2,764,775,099
Others	<b>1,346,966,010</b>	1,086,336,307	958,207,627
	<b>30,726,309,357</b>	26,897,455,051	23,715,931,651
<b>COSTS AND EXPENSES</b>			
Depreciation and amortization	<b>3,955,641,599</b>	3,829,971,166	3,501,183,977
Administrative	<b>3,886,571,608</b>	3,228,409,525	3,206,359,610
Film rentals	<b>1,877,504,253</b>	1,650,121,989	1,494,236,340
Business taxes and licenses	<b>1,760,649,386</b>	1,510,242,916	1,326,394,330
Management fees	<b>860,534,994</b>	794,923,211	647,342,667
Rent	<b>801,810,102</b>	589,134,834	503,533,075
Insurance	<b>247,640,906</b>	201,918,532	216,230,268
Others	<b>604,797,438</b>	472,774,273	376,101,148
	<b>13,995,150,286</b>	12,277,496,446	11,271,381,415
<b>INCOME FROM OPERATIONS</b>	<b>16,731,159,071</b>	14,619,958,605	12,444,550,236
<b>OTHER INCOME (CHARGES) - Net</b>			
Interest and dividend income	<b>406,214,974</b>	361,227,330	251,102,302
Interest expense	<b>(2,195,557,761)</b>	(1,948,257,322)	(1,746,215,754)
Others - net	<b>(653,110,383)</b>	(812,537,877)	(152,588,284)
	<b>(2,442,453,170)</b>	(2,399,567,869)	(1,647,701,736)
<b>INCOME BEFORE INCOME TAX</b>	<b>14,288,705,901</b>	12,220,390,736	10,796,848,500
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b>			
Current	<b>3,313,221,804</b>	2,932,357,842	2,449,966,767
Deferred	<b>53,337,830</b>	(94,188,973)	206,748,328
	<b>3,366,559,634</b>	2,838,168,869	2,656,715,095
<b>NET INCOME</b>	<b>₱10,922,146,267</b>	₱9,382,221,867	₱8,140,133,405
<b>Attributable to</b>			
Equity holders of the parent	<b>₱10,529,954,990</b>	₱9,055,995,525	₱7,856,348,789
Non-controlling interests	<b>392,191,277</b>	326,226,342	283,784,616
	<b>₱10,922,146,267</b>	₱9,382,221,867	₱8,140,133,405
<b>Basic/Diluted Earnings Per Share</b>	<b>₱0.606</b>	₱0.521	₱0.464

## SM PRIME HOLDINGS, INC. AND SUBSIDIARIES

### UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2012	2011	2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax and non-controlling interests	<b>₱14,288,705,901</b>	₱12,220,390,736	₱10,796,848,500
Adjustments for:			
Depreciation and amortization	<b>3,955,641,599</b>	3,829,971,166	3,501,183,977
Interest expense	<b>2,195,557,761</b>	1,948,257,322	1,746,215,754
Interest and dividend income	<b>(406,214,974)</b>	(361,227,330)	(251,102,302)
Unrealized foreign exchange loss (gain) - net	<b>(100,497,563)</b>	120,523,863	(84,810,032)
Mark-to-market loss (gain) on derivatives	<b>16,277,832</b>	226,901,219	(29,839,113)
Mark-to-market loss (gain) on investments held for trading	<b>706,500</b>	(13,439,353)	(14,231,667)
Operating income before working capital changes	<b>19,950,177,056</b>	17,971,377,623	15,664,265,117
Increase in:			
Receivables	<b>(1,196,584,367)</b>	(706,117,333)	(515,862,483)
Prepaid expenses and other current assets	<b>(165,253,383)</b>	(165,159,468)	(295,988,909)
Increase in:			
Accounts payable and other current liabilities	<b>1,028,909,743</b>	3,093,279,729	870,437,601
Tenants' deposits	<b>952,539,475</b>	981,080,452	762,974,229
Cash generated from operations	<b>20,569,788,524</b>	21,174,461,003	16,485,825,555
Income taxes paid	<b>(3,274,142,313)</b>	(2,711,823,417)	(2,572,575,448)
Net cash provided by operating activities	<b>17,295,646,211</b>	18,462,637,586	13,913,250,107
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Decrease (increase) in:			
Investment properties	<b>(21,327,739,078)</b>	(16,550,283,823)	(11,221,050,968)
Other noncurrent assets	<b>(1,013,987,073)</b>	854,989,275	(1,299,686,629)
Investments held for trading	<b>38,508,319</b>	(299,379,882)	(99,638,981)
Available-for-sale investments	-	100,000,000	-
Interest and dividend received	<b>404,648,010</b>	348,964,295	239,534,893
Net cash used in investing activities	<b>(21,898,569,822)</b>	(15,545,710,135)	(12,380,841,685)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from availment of loans )	<b>19,066,750,000</b>	15,894,082,275	14,224,724,000
Payments of:			
Loans	<b>(6,673,225,943)</b>	(14,142,267,058)	(10,338,573,989)
Dividends	<b>(4,040,693,476)</b>	(4,006,411,766)	(3,543,245,554)
Interest	<b>(2,308,977,631)</b>	(2,028,628,142)	(2,355,255,672)
Payments to unwinding of interest rate swaps	<b>(4,287,500)</b>	(76,220,800)	-
Proceeds from additional issuance of shares	-	-	6,413,234,999
Net cash provided by (used in) financing activities	<b>6,039,565,450</b>	(4,359,445,491)	4,400,883,784
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>			
	<b>(20,000,517)</b>	13,015,795	(40,644)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,416,641,322</b>	(1,429,502,245)	5,933,251,562
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>8,290,216,039</b>	9,719,718,284	3,786,466,722
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>₱9,706,857,361</b>	₱8,290,216,039	₱9,719,718,284

## 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 18, 2013



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**JEFFREY C. LIM**  
Executive Vice President