

AS094-000088

SEC Registration Number

SM PRIME HOLDINGS, INC. AND SUBSIDIARIES

(Company's Full Name)

10th Floor 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 1300

Mr. Jeffrey C. Lim (Contact Person)

831-1000 (Company Telephone Number)

05 07 (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

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. May 07, 2018
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
Only) Province, country or other jurisdiction of incorporation

6. (SEC Use
Industry Classification Code:

7. 10th Floor 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	28,879,231,694

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



PRESS RELEASE

SM Prime's Net Income up by 15% to P7.60 billion in 1Q2018

(07 May 2018, Pasay City, Philippines) [SM Prime Holdings, Inc.](#) (SM Prime), the Philippines' leading integrated property company, posted a 15% increase in its overall net income in the first quarter of 2018 to PHP7.6 billion from PHP6.6 billion of the same period last year. Driven by the expansion of its mall and residential businesses in key cities all over the country, the Company's consolidated revenues reached PHP23.4 billion in the first three months of the year, higher by 14% from the reported PHP20.5 billion in the same period of the prior year.

SM Prime's overall operating income for the first three months improved by 16% to PHP11.1 billion from PHP9.6 billion in the same period under review.

"The growing revenue contribution of our mall operations in the provinces and increasing reservation sales of our residential projects in Metro Manila drove our bottom line higher and kept us in line with our first quarter target in 2018. Nevertheless, we plan to continue expanding in key cities all over the Philippines to sustain our growth targets over the next few years," said SM Prime President Jeffrey Lim.

Growing Share from Provincial Malls

For the first quarter of 2018, SM Prime registered a 10% revenue growth in its malls business to PHP13.9 billion from PHP12.7 billion. This accounts for 59% of the consolidated revenues of the company. The new malls that opened in 2016 and 2017 helped improve the Company's mall rental revenues, delivering PHP11.9 billion, 12% higher from last year's PHP10.7 billion.

These malls include SM City San Jose Del Monte in Bulacan, SM City Trece Martires in Cavite, SM Cherry Congressional in Quezon City, SM City East Ortigas in Pasig City, SM CDO Downtown Premier in Cagayan de Oro, S Maison in Pasay City, SM Cherry Antipolo in Rizal, SM City Puerto Princesa in Palawan, SM Center Tuguegarao Downtown in Cagayan, SM Center Pulilan in Bulacan and SM Center Lemery in Batangas.

SM Prime's malls operating income increased by 11% to PHP7.8 billion from PHP7.0 billion, while operating margin was steady at 56%. The Company also maintained its 7% same-mall-sales growth for the first three months of the year.

Meanwhile, cinema and event ticket sales declined by 9% to PHP1,117 million from PHP1,230 million. This is due to less than stellar international blockbuster movies shown compared to 2017. On the other hand, other revenues includes amusement, bowling, ice-skating and merchandise sales increased by 7% to PHP819 million from PHP763 million. The revenue growth is attributed to higher income from amusement rides, improvements in bowling and ice-skating operations and commissions from sale of event tickets.

The Company's dynamic expansion in the provinces showed growing contribution to the total revenue of its Philippine mall business from 46% in year-end 2014 to 52% in the first quarter of 2018. This year, SM Prime's mall launches will all be in the provinces. These include the two recently opened malls namely SM Center Imus in Cavite and SM City Urdaneta Central in Pangasinan. Also opening this year are SM City Telabastagan in Pampanga, SM City Legazpi in Albay and SM Center Ormoc in Leyte.

Increasing Value of Residential Projects

SM Prime's residential group, led by SM Development Corporation (SMDC), posted revenue growth of 25% in the first quarter of 2018 to PHP7.5 billion from PHP6.0 billion in the same period last year. This accounts for 32% of the consolidated revenues of the company. The group's operating income also surged by 43% to PHP2.4 billion from PHP1.7 billion.

SM Prime enjoys double-digit growth in residential real estate sales due to more projects being turned over from 2015 to 2017. These include Shore 2 Residences and S Residences in Pasay City, Fame Residences in Mandaluyong City, South Residences in Las Piñas City, and Spring Residences in Parañaque City.

Sales of Ready-for-Occupancy (RFO) projects continue to also increase due to strong demand fueled by Overseas Filipino Workers' families, international buyers and rising disposable income of the emerging middle class.

The growth in the first quarter of 2018 brought the residential group's consolidated costs of real estate to PHP3.7 billion, 20% higher from last year's PHP3.1 billion. Gross profit margin improved to 49% from 48% and net income margin to 24% from 23%.

SMDC's reservation sales grew by 20% in terms of sales value to PHP14.8 billion in the first quarter of 2018 from PHP12.3 billion in the same period last year. In terms of unit sales, it was almost flat at 3,894. Projects such as Bloom Residences in Parañaque City, Fame Residences in Mandaluyong City, Grass Residences in Quezon City, Shore 3 Residences in Pasay City and Red Residences in Makati City topped this quarter's sales report.

SM Prime is in line with its target to launch 12,000 to 15,000 residential units this year. These will be spread across the Company's high-rise-building, mid-rise-building and single-detached house and lot projects.

Other Businesses' Contributions

SM Prime's other businesses registered a consolidated revenue growth of 8% in the first quarter of the year to PHP2.0 billion from PHP1.9 billion in the same period last year. Revenues from Commercial Properties Group and Hotels and Convention Centers covered 9% of the overall consolidated revenues of the Company. Operating income increased by 1% in the first three months of the year to PHP929 million from PHP922 million in the same period last year.

The Commercial Properties and the Hotels and Convention Centers businesses reported a revenue growth of 9% and 6%, respectively, in the first quarter of 2018.

To date, SM Prime's Commercial Properties Group has a combined GFA of 464,000 sqm. The Company is set to launch ThreeE-Com this year, its third office building in the Mall of Asia Complex with almost 130,000 sqm of gross floor area. The Hotels and Convention Centers business has six hotels with over 1,500 rooms, four convention centers and three trade halls. The group is set to expand Park Inn – Clark in Pampanga this year.

SM Prime remains committed to being a catalyst for economic growth by delivering innovative and sustainable lifestyle cities, thereby enriching the quality of life for millions of people.

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For further information, please contact:


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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: May 07, 2018



JOHN NAI PENG C. ONG
Corporate Information Officer
Chief Finance Officer