

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. John Nai Peng C. Ong

(Contact Person)

831-1000

(Company Telephone Number)

10 22

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 No. of Stockholders

Domestic

Domestic

Foreign

Foreign

To be accomplished by SEC Personnel concerned

File Number

File Number

LCU

LCU

Document ID

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Cashier

Cashier

STAMPS

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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. October 22, 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)

6. (SEC Use

Province, country or other jurisdiction
of incorporation

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

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



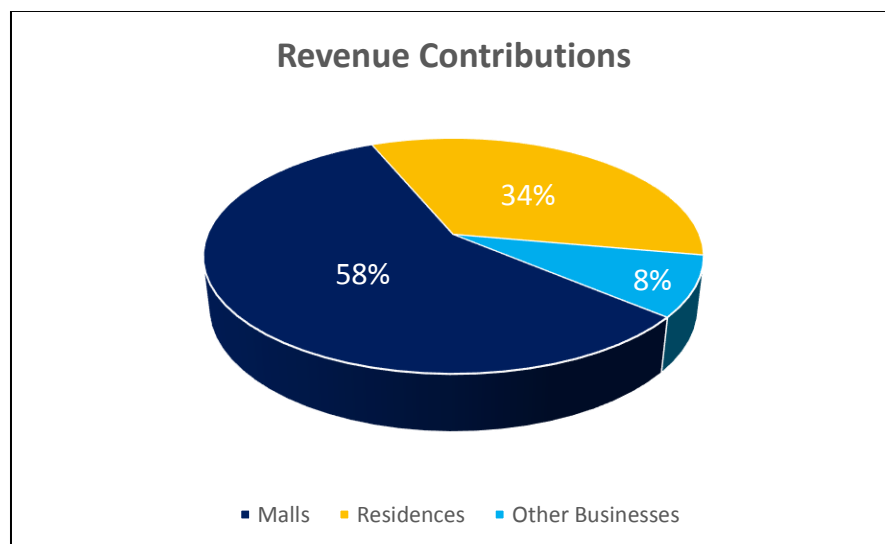
PRESS RELEASE

SM Prime's Net Income up by 17% in 9M18

(22 October 2018, Pasay City, Philippines) [SM Prime Holdings, Inc.](#) (SM Prime), one of the largest integrated property developers in Southeast Asia, recorded a 17% increase in its consolidated net income for the first nine months of 2018 to PHP23.44 billion from PHP20.05 billion of the previous year. The consolidated revenues went up by 15% to PHP74.56 billion from PHP64.69 billion of the same period being reviewed, while the consolidated operating income is up by 16% to PHP34.91 billion from PHP30.14 billion of last year.

SM Prime reported a 20% growth on its net income for the 3rd quarter of the year to PHP6.82 billion from PHP5.66 billion of the previous year. The surge in income growth is due to the increase of the Company's revenue by 16% to PHP24.79 billion from PHP21.44 billion of 2017.

"SM Prime's continuous growth as reflected in our first nine-month report shows the results of our strategic expansion in various developing cities in the country. Through the solid performances of our core businesses, we are positive that we will deliver the net income growth we committed when we integrated five years ago. We intend to keep this growth trajectory to enrich more lives in the communities that we serve and deliver more sustainable integrated developments for the betterment of our country," SM Prime President Jeffrey C. Lim said.



The Driving Growth of Provincial Malls

The consolidated mall revenues, which accounts for 58% of SM Prime's nine-month total revenues, recorded a 12% increase to PHP43.26 billion from PHP38.58 billion of last year. Backed by the 8% same-mall-sales growth, mall rental revenues went up by 12% to PHP36.83 billion from PHP32.83 billion. The growth is driven by the new malls opened from 2016 to 2018, which are mostly in the provinces.

The Company's cinema and event ticket sales surged by 17% to PHP3.92 billion from PHP3.34 billion of last year. This is supported by higher gross box office receipts from international and local blockbuster movies shown in 2018 such as "Avengers: Infinity War", "The Hows of Us", "Jurassic World: Fallen Kingdom", "Black Panther", and "The Nun". Other mall revenues, which include leisure, entertainment and merchandise sales, posted PHP2.51 billion, a 4% increase from the same period last year.

Mall operating income increased by 12% to PHP23.97 billion from PHP21.38 billion, operating income margin was stable at 55%.

SM Prime has 78 malls - 71 in the Philippines and seven in China - with a total gross floor area (GFA) of 9.5 million square meters (sqm). The Company has opened four malls in the first nine months of the year namely SM Center Imus in Cavite, SM City Urdaneta Central in Pangasinan, SM City Telabastagan in Pampanga and SM City Legazpi in Albay. SM Center Ormoc in Leyte is scheduled to launch this fourth quarter of 2018, along with Luxe Duty Free in Mall of Asia Complex, Pasay City, which is an additional upscale shopping destination in the Bay Area.

Strong Contribution from Growing Residential Market

SM Prime's residential group reported a 23% growth on its revenue for the first three quarters of the year to PHP25.26 billion from PHP20.50 billion of the same period last year. Operating income registered a 34% increase to PHP8.29 billion from PHP6.17 billion of the same period being reviewed, while gross profit margin also improved to 50% from 49% of same period last year.

The increase is primarily due to higher construction accomplishments of projects launched in 2015 to 2017 namely Shore 2, Fame, South, Spring, Shore 3 and S Residences and continued increase in sales take-up of various projects due to strong demand fueled by international buyers, Overseas Filipinos' remittances, and rising disposable income of the emerging middle class.

SM Development Corporation (SMDC), the Company's primary residential developer, recorded a 25% increase in reservation sales in the first nine months of the 2018 to PHP52.80 billion from the PHP42.08 billion reported last year. This translates to a 15% increase in unit sales to 14,698

units from 12,811 units. SM Prime intends to launch between 15,000 to 18,000 residential units next year.

Continuous Expansion of Other Businesses

SM Prime's Commercial Properties Group (CPG) and SM Hotels and Convention Centers (SMHCC), posted a combined revenue growth of 7% in the first nine months of the year to PHP6.17 billion from PHP5.76 billion of the same period last year.

Their operating income increased by 7% to PHP2.89 billion from PHP2.71 billion, while operating income margin is steady at 47%.

The CPG operates 11 office buildings with a total GFA of almost 623,000 sqm., including the recently launched 100% leased-out ThreeE-Com Center in the Mall of Asia Complex, Pasay City last September. While SMHCC manages six hotels with more than 1,500 rooms, four convention centers and three trade halls.

SM Prime is set to launch the campus-office building named NU Tower, and the FourE-Com Center, both in the Mall of Asia Complex, Pasay City in the coming years, including the expansion of Park Inn – Clark in Pampanga and launching of two new hotels.

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

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For further information, please contact:

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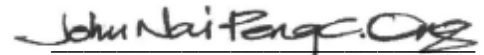
SIGNATURES

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: October 22, 2018



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