

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)

02 11
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. February 11, 2019  
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 Rose by 17% in 2018



Mr. Jeffrey C. Lim, President, SM Prime Holdings, Inc.

**(11 February 2019, Pasay City, Philippines)** [SM Prime Holdings, Inc.](#) (SM Prime), one of the largest integrated property developers in Southeast Asia, registered a consolidated net income growth of 17% in 2018 to PHP32.2 billion from PHP27.6 billion of the previous year. Consolidated revenues grew by 14% to PHP104.1 billion in 2018 from PHP90.9 billion in 2017, while consolidated overall operating income improved by 19% to PHP48.3 billion in 2018 from PHP40.6 billion of the previous year.

SM Prime recorded a 16% increase on its net income for the last quarter of 2018 to PHP8.7 billion from PHP7.5 billion of the previous year. The Company's consolidated revenue in 4Q2018 grew by 13% to PHP29.5 billion from PHP26.2 billion of 4Q2017.

"The successes and achievements we are reaping today are the hard work, strategy and partnerships we built five years ago when we consolidated all the key property companies of SM Group under SM Prime. Driven by our goal to deliver more innovative and sustainable lifestyle cities, SM Prime is aiming to sustain this growth trajectory in the coming years," SM Prime President Jeffrey Lim said.

## **Mall Operations**

SM Prime's mall revenues rose by 11% to PHP59.3 billion in 2018 from PHP53.2 billion in 2017. Mall rental income grew by 11% to PHP50.5 billion from PHP45.3 billion of the previous year. The increase in revenue was due to rising contribution of rentals from new and expanded malls that were launched mostly in the developing provincial areas of the Philippines from 2017 to 2018 such as SM CDO Downtown Premier, S Maison, SM City Puerto Princesa, SM Center Tuguegarao Downtown, SM City Urdaneta Central, SM City Telabastagan, SM City Legazpi and SM Center Ormoc. Same-mall-sales growth was at 8% across all mature malls.

SM Prime cinema and event ticket sales improved by 9% to PHP5.2 billion in 2018 from PHP4.8 billion in 2017. Revenues from amusement and merchandise sales also increased by 14% to PHP3.6 billion in 2018 from PHP3.1 billion in 2017. The revenue growth came from additional outlets opened in new malls. Mall operating income improved by 13% to PHP32.2 billion in 2018 from PHP28.4 billion in 2017, while operating margin moved up to 54% in 2018 from 53% of the previous year.

SM Prime has 72 malls in the Philippines offering 8.3 million square meters (sqm) of gross floor area (GFA) and seven malls in China with 1.3 million sqm of GFA as of year-end 2018. The Company is set to launch four new malls in 2019 namely SM Center Dagupan, SM City Olongapo Central, SM City Butuan and SM Mindpro Citimall in Zamboanga.

## **Residential Developments**

SM Prime's residential group, led by SM Development Corporation (SMDC), reported a revenue growth of 22% to PHP36.5 billion in 2018 from PHP30.0 billion in 2017. Operating income improved by 38% to PHP12.3 billion from PHP8.9 billion. The growth is due to higher construction accomplishments of projects launched in 2015 to 2017 namely Shore 2 Residences, Coast Residences, Shore 3 Residences and S Residences in Pasay City, Fame Residences in Mandaluyong City, and Spring Residences in Parañaque City.

Consolidated costs of real estate sales increased at lower rate of 17% to PHP17.8 billion in 2018 from PHP15.2 billion in 2017. This led to improved gross profit margin of 50% from 49%, and net income margin of 25% from 24%, in 2018 and 2017 respectively.

SMDC's reservation sales grew by 25% in terms of sales value to PHP72.3 billion in 2018 from PHP57.8 billion in 2017. In terms of unit sales, it increased by 23% to 21,157 from 17,259. The strong sales take-up came from projects such as Shore 3 Residences in the Mall of Asia Complex, Pasay City, Fame Residences in Mandaluyong City and Bloom Residences in Parañaque City. Notable contribution also came from some provincial projects such as Charm Residences in Cainta, Rizal, Hope Residences in Trece Martires, Cavite, Green 2 Residences in Dasmariñas, Cavite, Lane Residences in Davao, Park Residences in Sta. Rosa, Laguna, as well as some other Metro Manila projects such as Vine Residences, Trees Residences and Hill Residences in Quezon City, Red Residences in Makati City and Leaf Residences in Muntinlupa City.

SM Prime is scheduled to launch between 15,000 to 18,000 residential units this 2019 that include high-rise buildings, mid-rise buildings and single detached house and lot projects.

## **Other Business Segments**

The rest of SM Prime's businesses registered a combined revenue growth of 7% to PHP8.4 billion in 2018 from PHP7.9 billion of the previous year. Combined operating income increased by 10% to PHP4.0 billion from PHP3.6 billion, while operating income margin improved to 47% from 46% in the same period being reviewed. The Commercial Properties and the Hotels and Convention Centers business segments contributed a combined revenue growth of 18% in 2018. This is attributed to the opening of ThreeE-Com Center, FiveE-Com Center and Conrad Manila.

SM Prime has 11 office buildings with a combined GFA of 623,000 sqm, to date. The Company is set to launch NU Tower in the Mall of Asia Complex, Pasay City this 2019, while the FourE-Com Center is scheduled by 2020. These projects will add a total GFA of almost 238,000 sqm in the Company's office portfolio. The Hotels and Convention Centers currently has six hotels with over 1,500 rooms, four convention centers and three trade halls. The Company's Hotel Group is set to launch two new hotels this 2019 namely Park Inn by Radisson – Iloilo and Park Inn by Radisson – North EDSA.

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: February 11, 2019

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**JOHN NAI PENG C. ONG**  
Corporate Information Officer