



## **FOR IMMEDIATE RELEASE**

### **SM PRIME net income grows to P3.37 billion**

SM Prime Holdings, Inc., the country's leading shopping mall developer and operator, posts P1.14 billion net income for the three-month period ending September 30, 2004—an 11% increase from last year's same period of P1.03 billion. Gross revenues likewise increased 20% to P2.51 billion in the third quarter of 2004, from P2.09 billion in the third quarter of 2003.

Net income for the nine-month period ended September 30, 2004 was posted at P3.37 billion, a 10% increase from the previous year's same period of P3.07 billion. Gross revenues grew 16% to P7.44 billion. Rental revenues remain the largest portion, with an 18% growth to P5.91 billion from last year's P5.00 billion. This is largely due to rentals from three additional SM Supermalls opened in the last quarter of 2003, namely SM City Lucena, SM City Baguio, and SM City Marilao, and the opening of SM City Dasmariñas in May 2004. SM City Dasmariñas, located on Governor's Drive-Aguinaldo Highway in bustling Dasmariñas, Cavite opened with a gross floor area of 80,000 square meters, catering to residents of central and southern Cavite, the country's fastest growing province by population. Currently, SM City Dasmariñas has an occupancy level of 85%.

Cinema and Amusement revenues likewise enjoyed favorable growth, with cinema revenues up by 11%, largely due to blockbuster films such as "Harry Potter 3," "The Day After Tomorrow," "Lord of the Rings 3," "Troy," and "Spiderman 2."

Operating expenses also grew 17% due to the opening of four new malls (SM City Marilao, Baguio, Lucena and Dasmariñas). Depreciation expenses for these four new malls also contributed to this increase. Income from operations, however, remains favorable at P4.29 billion, a 16% increase from last year's P3.71 billion. Other income decreased by 7% due to increase in interest expense coming from the P1.7 billion loan of the Parent Company in the last quarter of 2003 and the P1.6 billion loan of the subsidiaries in July 2004.

Opening on November 12<sup>th</sup> is SM City Batangas, located in Batangas City, Batangas. SM City Batangas will have a gross floor area of 71,000 square meters of shopping, dining, and entertainment for residents of the southern city and its neighboring areas. SM Prime Holdings, Inc.'s total gross floor area will reach 2.5 million square meters by the end of 2004, with a total of 19 operational malls.

SM Prime Holdings, Inc. has set aside P5 billion for capital expenditures for 2005. Construction is now ongoing full-blast on the SM Mall of Asia, slated to be the country's premier shopping destination and tourist attraction, revitalizing the Roxas Boulevard Bay Area. In its first phase, the SM Mall of Asia will open in the last quarter of 2005 with a gross floor area of 300,000 square meters—comprised of a Main Mall, an Entertainment Mall, and two parking buildings. Also set to open in 2005 are SM City San Lazaro (Manila) and SM City Molino (Cavite). With an amassed land bank of 179 hectares in 18 prime locations, SM Prime Holdings, Inc. is set for continuous expansion within the next five years.

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Reference: Anna Victoria L. Gomez, Corporate Communications Manager, SM Prime Holdings, Inc.  
Telephone (632) 831 1000 loc 1405 • Facsimile (632) 833 8991 • Email: rlg@smprime.com