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SM PRIME 2Q net income grows 11%

SM Prime Holdings, Inc., the country's leading shopping mall developer and operator, posts P1.07 billion net income for the three-month period ending June 30, 2004—an 11% increase from last year's same period of P963 million. Gross revenues likewise increased 15% to P2.59 billion in the period ended, from P2.26 billion in the second quarter of 2003.

Consequently, net income for the first half of 2004 was posted at P2.2 billion, a 9% increase from the previous year's same period of P2 billion. Gross revenues grew 14% to P4.92 billion, from last year's P4.30 billion in the first half. Rental revenues remain the largest portion, with a 15% growth to P3.84 billion from last year's P3.34 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. SM City Dasmariñas currently holds almost 80% occupancy level.

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 "The Passion of the Christ."

Set to open within the year 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 has begun on the SM Mall of Asia, set 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 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 175 hectares in 14 prime locations, SM Prime Holdings, Inc. is set for continuous expansion within the next five years.

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