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SM PRIME posts P1.2B 1st quarter net income

SM Prime Holdings, Inc., the country's leading shopping mall developer and operator, declares P1.2 billion net income for the three-month period ending March 31, 2004—an 8% increase from last year's P1.1 billion.

Gross revenues grew 14% to P2.3 billion, from last year's P2 billion in the first quarter. Rental revenues remain healthy, with a 16% escalation to P1.8 billion from last year's P1.5 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, which all hold a 90% occupancy rate. Revenues from amusement centers likewise posted a strong increase of 41% at P47 million, from last year's same period revenues of P33 million. Income from operations remains favorable at P1.4 billion, a 13% increase from last year's P1.2 billion.

Set to open on May 21, 2004 is SM City Dasmariñas, located on Governor's Drive-Aguinaldo Highway in bustling Dasmariñas, Cavite. With a gross floor area of 80,000 square meters, SM City Dasmariñas will cater to residents of central and southern Cavite, the country's fastest growing province by population. Furthermore, shopping population will be significantly increased by transients to and from the numerous companies located within the industrial area.

Also 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 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 173 hectares in 12 prime locations, SM Prime Holdings, Inc. is set for continuous expansion within the next five years.

Furthermore, at the recently concluded Annual Stockholders' Meeting, the Board of Directors declared a 10% regular cash dividend and a 5% special cash dividend based on par value payable to stockholders of record as of May 21, 2004. These cash dividends are payable on June 15, 2004. During the Organizational Meeting of the Board of Directors, Mr. Hans T. Sy was elected President of SM Prime Holdings, Inc. Mr. Henry Sy, Sr. remains Chairman of the Company.

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