SAN MIGUEL CORPORATION

May 10, 2018

The Philippine Stock Exchange, Inc.
Disclosure Department
9th Floor, Philippine Stock Exchange Tower
28th Street, corner 5th Avenue
Bonifacio Global City, Taguig City

Attention: **Mr. Jose Valeriano B. Zuño III**
OIC-Head, Disclosure Department

Gentlemen:

Enclosed is a copy of our press statement entitled "SMC reports strong first quarter gains Revenues up 20% to P234B, recurring net income grows 31% to P19.4B," which we will release to the press today.

Very truly yours,

FERDINAND K. CONSTANTINO
Corporate Information Officer

News Release

SMC CORPORATE AFFAIRS OFFICE
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1550 Metro Manila, Philippines

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May 10, 2018

SMC reports strong first quarter gains
Revenues up 20% to P234B, recurring net income grows 31% to P19.4B

San Miguel Corporation (SMC) started 2018 strong, posting consolidated recurring net income of P19.4 billion, 31% higher than the same period last year, powered by the robust performance of all its businesses.

Revenues and operating income reached P234.3 billion and P32.7 billion, 20% and 19% higher than last year, respectively. Consolidated EBITDA rose 17% to P41.5 billion.

BEER
San Miguel Brewery, Inc.'s consolidated volumes reached 65 million cases, 11% higher than last year. Strong volume growth was driven mainly by increased consumption nationwide, which was boosted by new marketing campaigns and the implementation of trade and consumer promos. Consolidated revenues grew 18% to P29.8 billion.

Combined with contributions from its International Operations, operating income rose 25% to P8.3 billion, while net income grew 26% to P5.7 billion.

LIQUOR
Ginebra San Miguel Inc. reported a 20% increase in sales volumes for the first three months. Ongoing campaigns helped core brands Ginebra San Miguel and Vino Kulafu to continue to drive growth. Revenues rose 24% to P6.4 billion while operating income reached P478 million, 58% higher than the same period last year. Net income surged to P255 million, a 97% increase.

FOOD
San Miguel Pure Foods Co. Inc., now officially named San Miguel Food and Beverage, Inc. was also off to a good start. Consolidated revenues for the first quarter grew 12% to P29.8 billion, on the back of the continued strong growth momentum of the Poultry & Meats and Value-Added Meats businesses. Income from operations grew 4% to P2.2 billion, on higher selling prices and high volumes from Poultry & Meats and Value added Meats. This growth was however softened by higher costs of certain major raw materials and expansion related operating expenses.

Net income ended at P1.4 billion, 7% lower than last year, primarily due to foreign exchange losses caused by the peso depreciation against the US dollar along with mark-to-market losses from raw material imports.

Without the foreign exchange impact, net income for the period would have been at P1.5 billion.

PACKAGING
San Miguel Yamamura Packaging Group's total sales revenues rose 25% to P8.6 billion, on account of strong sales of glass, plastics, and flexibles and continuous growth in its Australia operations.

Operating income amounted to P793.6 million, 26% higher than 2017.

FUEL AND OIL
Petron Corporation posted a net income of P5.8 billion, 4% higher than last year's P5.6 billion, on account of strong combined domestic sales volumes and improved operating efficiencies at both its Philippines and Malaysian operations.

Petron's consolidated revenues reached P129.1 billion, up 21% from last year's P106.4 billion. Operating income hit P8.8 billion over the period.