



## SAN MIGUEL CORPORATION

February 6, 2017

**The Philippine Stock Exchange, Inc.**  
Disclosure Department  
3<sup>rd</sup> Floor, Tower One and Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City

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

Gentlemen:

We reply with respect to the news article entitled "SMC acquires another Aussie firm" published in the February 6, 2017 issue of The Philippine Star. The article reported in part that:

"San Miguel Corp. (SMC), the country's diversified conglomerate, has acquired another Australian company in a landmark deal that further expands its foothold in the Oceania region.

SMC, through its international packaging business, San Miguel Yamamura Packaging International Ltd. (SMYPIL), has acquired 100 percent of the shares in Portavin Holdings Pty. Ltd. (Portavin), Australia's leading wine services supplier.

Portavin's business are in four key regions in Australia – New South Wales, South Australia, Victoria and Western Australia.

Portavin bottles more than 80 million bottles per year for over 800 wineries. It is also in trading and distribution of packaging products.

SMC president and chief operating officer Ramon Ang said the acquisition allows the conglomerate to expand its presence in Australia and New Zealand.

The company's latest international expansion comes on the heels of SMYPIL's acquisition of the assets of Endeavour Glass Packaging Ltd., an Auckland, New Zealand-based company that specializes in glass packaging.

The company provides packaging solutions to the wine, beverage and food industries.

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SMC completed the acquisitions through San Miguel Yamamura Australasia Ltd., SMYPIL's Australian subsidiary.

'These acquisitions will enable our packaging business to further expand in Australia and New Zealand. Portavin and Endeavour Glass will complement our current packaging operations, Cospak and Vinocor,' Ang said.

Moving forward, Ang said the conglomerate would remain on the lookout for potential acquisitions in the future within and outside the Philippines.

'Other than the Australasian region, we will continue to look for opportunities of growth for our packaging business in the Philippines and abroad,' Ang said.

SMC expects revenue to grow by 1.5 times by 2020 compared to 2015.

New businesses are seen retaining their contribution to revenues at 66 percent.

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The revenue contribution of the power business is seen growing to 14 percent by 2020 from 11 percent in 2015 while the contribution of Infrastructure will double to four percent by 2020 from two percent in 2015."

By way of response to the Exchange, we confirm that San Miguel Corporation, thru San Miguel Yamamura Packaging International Ltd., acquired 100% of the outstanding shares of stock of Portavin Holdings Pty. Ltd., the leading wine services supplier in Australia, for a total consideration of approximately 27 million Australian Dollars. Such acquisition expands the presence of the Company's packaging business in Australia and New Zealand and fully compliments the recent purchase of the glass packaging assets of Endeavor Glass Packaging Ltd. and current packaging operations in the Australasia region (thru Cospak and Vinocor), as advised by Mr. Ramon S. Ang, President and Chief Operating Officer of the Company, and reported in the aforementioned article.

We further advise that the Company projects revenue by 2020 to reach approximately 1 Trillion Pesos, with the expected revenue from new businesses accounting for 630 Billion Pesos. As for the revenue contributions of the power and infrastructure businesses in 2020 are concerned, we expect such contributions to reach up to approximately 133 Billion Pesos and 42 Billion Pesos, respectively, in the event the on-going projects of both businesses are completed and fully operational.

Very truly yours,



**FERDINAND K. CONSTANTINO**  
Corporate Information Officer