



SAN MIGUEL CORPORATION

November 7, 2019

The Philippine Stock Exchange, Inc.
Disclosure Department
6th Floor, Philippine Stock Exchange Tower
28th Street, corner 5th Avenue
Bonifacio Global City, Taguig City

Attention: **Janet A. Encarnacion**
Head, Disclosure Department

Gentlemen:

Please see attached press statement of the Company entitled "SMC nine-month revenue hit P759 billion."

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer

News Release

SMC CORPORATE AFFAIRS OFFICE
40 San Miguel Avenue, Mandaluyong City,
1550 Metro Manila, Philippines



November 8, 2019

SMC nine-month revenue hit P759 billion

San Miguel Corporation (SMC) reported consolidated revenues of P758.6 billion for the first nine months of the year as higher volumes from its beer, spirits, power, and infrastructure units continue to drive growth. Consolidated operating income, however, dropped 9% to P88.7 billion.

SMC's fuel unit Petron Corporation continues to be weighed down by volatile global crude oil prices and weak refining margins, while San Miguel Foods faced headwinds from rising raw material costs.

Net income and EBITDA amounted to P39.7 and P123.0 billion, respectively.

Food and Beverage

San Miguel Food and Beverage, Inc.'s consolidated revenues reached P226.4 billion, driven by strong revenue growth across the business segments, wherein Beer grew 11%, Spirits 20%, and Food, by 6%.

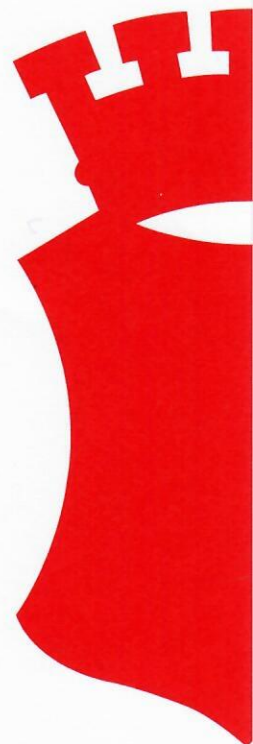
Consolidated operating income remained steady at P33.6 billion, due to price and raw material cost pressures faced by its food business.

"The continuous recovery seen in the poultry business during the third quarter in particular, along the steady growth of our beverage business have been very encouraging," said SMC president and chief operating officer Ramon S. Ang.

Power

SMC Global Power Holdings Corp posted consolidated off-take volume of 21,581 Gwh during the nine-month period, 22% higher, than in the same period in 2018. This was the result of higher bilateral sales volumes and improved operations at the Sual, Ilijan, and San Roque power plants, and the full nine-month operation of the Masinloc power plant.

Consolidated revenues reached P105.1 billion, an 18% increase from the P89.1 billion reported last year.



Consolidated operating income rose 16% to P30.0 billion and net income more than doubled from last year at P11.4 billion.

Fuels, Oils, and Petrochemicals

Petron's consolidated revenues for the nine-month period amounted to P381.7 billion, 9% lower than last year, as it continued to reel from volatile movements in global crude oil prices, weak refining margins, and a slowdown in demand. This was however partially mitigated by volume increases in Petron's Malaysia operations.

Consolidated operating income and net income ended at P13.9 billion and P3.6 billion, down 38% and 70%, respectively.

While overall domestic volumes continued to decline, Petron's retail volumes within the Freeport zones where all stations enjoy the same tax benefits, registered a growth of 14%. In particular, retail volumes inside the Clark Freeport Zone registered a 54% increase versus last year.

"We will continue to push for a level playing field in the industry where illicit trade persists. This level-playing field is what we hope will prevail throughout the country. We support government's fuel-marking program and look forward to its implantation for all players," Ang said.

"Oil smuggling robs government of much-needed taxes, and deprives consumers of quality fuel, which are not allowed to thrive," he added.

Despite these setbacks, Petron continued to pursue its network expansion program. In the first nine months of 2019, Petron opened 100 new stations in the Philippines and 38 in Malaysia.

Infrastructure

SMC Infrastructure's operating toll roads reported a combined 6% growth in vehicular traffic volume compared to the same period last year. Consolidated revenues reached P17.8 billion, while operating income amounted to P9.0 billion.

Last September 18, 2019, SMC, through SMC Infrastructure, together with the Department of Transportation (DOTr) signed the Concession Agreement for the proposed Manila International Airport project. The company was also given the Notice to Proceed.

"This new airport will be our single-largest investment in the country. It will be sustainably-master-planned and will be a 'game-changer' for the Philippine economy," Ang said.