What Comes Next

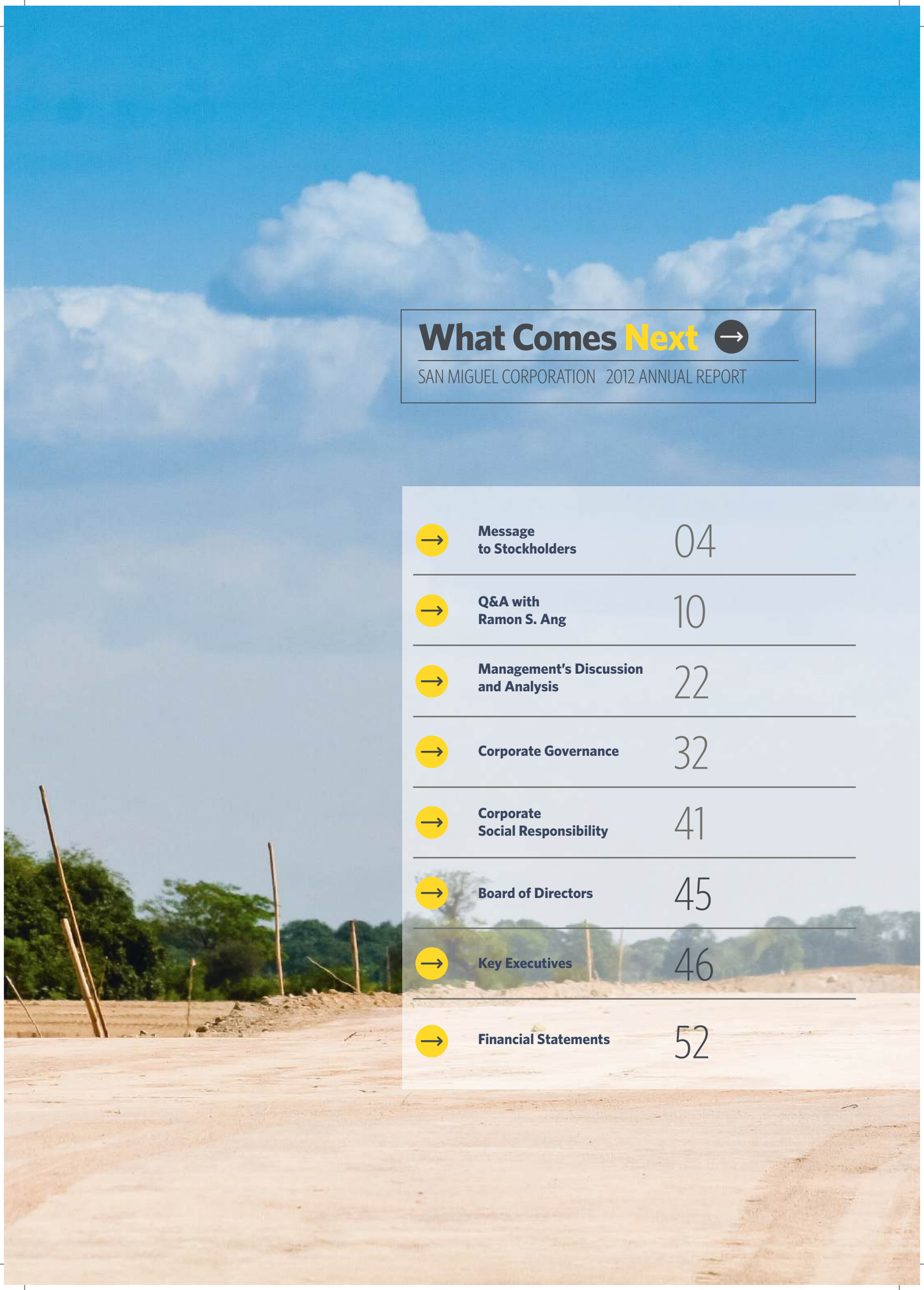
SAN MIGUEL CORPORATION 2012 ANNUAL REPORT



- Food
- Beverage
- Packaging
- Power & Energy
- Oil refining
- Infrastructure
- Mining
- Properties
- Telecommunications
- Aviation



Work continues on the first phase of the Tarlac-Pangasinan-La Union Expressway, one of the many infrastructure projects in San Miguel's portfolio



What Comes Next

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The story so far

MESSAGE TO STOCKHOLDERS



EDUARDO M. COJUANGCO, JR
Chairman & CEO

Over the last five years, we have worked at transforming ourselves into a more diversified, efficient and responsive company, whose capabilities and accomplishments clearly lead the industries in which we now compete. We finished 2012 with our growth plans as aggressive as ever, encompassing new markets and venturing into new businesses.

The year just passed was a period of focus and activity for our company as we continued to build new and stronger platforms to enhance our position as the Philippines' leading conglomerate. We've worked on adding scale and stability to our new businesses and further improving their growth prospects.

We reported strong growth across most of our businesses, resulting in record revenues of P699 billion, 30% higher than in 2011. Our net income also surged 57% to P27.6 billion.

Our traditional beer, food, and packaging businesses continue to play a significant role in our overall growth. Their persistent efforts to grow market share and maximize operational efficiencies have resulted in consistent, solid results, allowing us to plough back most of our earnings into growing our new businesses and strengthening our long-term prospects as a group.

Our bullishness about our new businesses has also served us well. Even as many other companies have just started playing catch-up by entering industries we long ago identified as key growth drivers of our economy, we are already well-placed to take advantage of the renewed investor interest in a resurgent Philippines.

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Clearly, we have our work cut out for us. Our expansion plans have all proceeded as scheduled, with many of the major projects, particularly in infrastructure, power, and oil refining, set for completion between 2014 and 2016.

That is not to say that the year was not without its fair share of challenges. As a result of volatility in world oil prices and the lower prices at the pump, Petron margins took a hit, particularly in the second quarter.

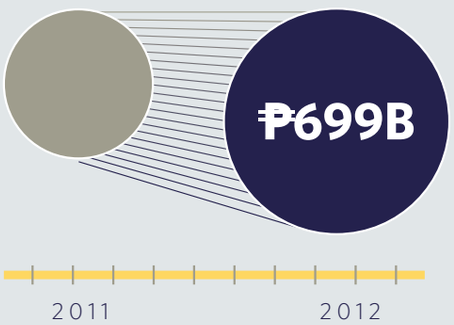
Despite this, the company was able to turn in a good performance beginning in the third quarter, resulting in modest year-end gains, with volumes registering healthy growth.

There is much to be excited about in Petron. At the end of 2012, the upgrade of our Bataan Refinery was halfway complete. With a full capacity of 180,000 barrels per day, the refinery upgrade scheduled for completion and commissioning by the end of 2014, will greatly add value to the business. The RMP-2 project will increase volumes by more than 50% and allow the conversion of low-value fuel oil into high-margin gasoline, diesel, and petrochemicals, that meet global environmental standards. Petron also continues to grow its distribution network, with the number of Petron gas stations reaching more than 2,000 by the end of the year.

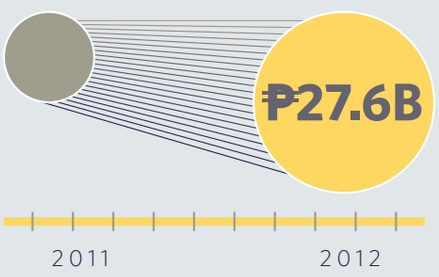
Soon after we completed our purchase of ExxonMobil's downstream business in Malaysia in March, we immediately introduced the Petron brand to the country. By year's end, we were able to open 69 Petron-branded service stations out of the 555 Esso and Mobil stations we acquired. By 2014, we hope to complete the rebranding of all our stations in Malaysia.

Today, Petron is a reinvigorated player in Malaysia, gaining a reputation for total customer satisfaction with better facilities, personalized service, and innovative marketing programs. With plans underway to upgrade the Port Dickson Refinery,

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we are confident that we will become a stronger contender in the Malaysian oil industry in the coming years.

Power, a reliable business with steady margins and huge growth potential, is another area we are bullish about. In 2012, our power business grew its net generation volume as a result of strong demand and better utilization of our plants.

We completed all the preliminary work needed to pave the way for our greenfield projects. By 2013, we will begin construction on new coal-powered facilities in Davao del Sur and Bataan, which will have a combined capacity of up to 1,200 megawatts. Related to this, we continue to explore potential coal resources to provide an indirect hedge for the raw material fuel requirements of the power plants once operational.

While we still have some way to go before these greenfield projects are completed, we already have our sights set on offering a diversified portfolio of power facilities and playing a much bigger role in ensuring a stable supply of electricity for the Philippines.

Our core businesses—food, beverage, and liquor—were beset by challenges, particularly higher raw material costs. The Food Group's integrated value chain has been an important factor to its resilience. San Miguel Pure Foods Company, Inc. was able to bounce back largely by focusing its efforts on the attractive, stable-priced, value-added segment.

San Miguel Brewery meanwhile protected its margins by maximizing operational efficiencies, registering stable volume growth and further strengthening its domestic market leadership. Its international operations likewise registered solid growth.

Ginebra San Miguel, Inc. continued its recovery, paring down losses of the previous year and improving volumes by zeroing in on its core gin market and implementing aggressive sales and marketing initiatives to support new offerings and its non-alcoholic beverages business.

While we expect the increases in excise taxes to have a significant impact on the performance of our beer and liquor business, we choose to view this as a challenge to improve on our strategies. We will continue to find ways to better manage our fixed costs, develop more operational efficiencies through the release of new products, and ratchet our sales and marketing efforts to encourage consumption.

Determined as we are to extract the best value from our core businesses, our new engines of growth are benefiting from rising demand for infrastructure and power in the growing Philippine economy.

Vital components of our infrastructure master plan have started falling firmly in place. The Tarlac-Pangasinan-La Union Expressway, our infrastructure investment in the north, is finally nearing completion, with the opening of the first phase scheduled by the second

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RAMON S. ANG
President & COO

half of 2013. Once operational, it will be a showcase of how efficiently we can implement and complete projects of this scale.

Another major infrastructure initiative is the Skyway Stage 3 project, which we envision to be a six-lane elevated tollway connecting Makati to the North Luzon Expressway—our solution to decongesting Metro Manila's main thoroughfares.

In April 2013, we won the concession to build and operate the Ninoy Aquino International Airport Expressway, an important component of our infrastructure portfolio, which will connect our Skyway system to all three NAIA airport terminals and the Entertainment City of the Philippine Amusement and Gaming Corporation.

We are also moving forward with our MRT-7 rail and road project, which will run from San Jose, Del Monte City in Bulacan to North Edsa, converging with LRT-1 and MRT-3. As of this writing, we are waiting for the performance undertaking to be issued by the government. We hope to complete the financial close for MRT-7 by the end of 2013, with construction set to begin in 2014.

Much progress has also been made on the expansion of our Boracay Airport. With all technical and environmental studies and regulatory requirements fulfilled in 2012, construction is scheduled to begin next year.

In April 2012, we completed our investment in a significant stake in Philippine Airlines and its low-cost carrier Airphil Express, since re-branded PAL Express. In our view, this investment in our flag carrier strengthens our long-term competitiveness. Like San Miguel, PAL is a pioneer and icon in the airline industry presenting many opportunities for synergies with our existing businesses. More importantly, it completes our vision of developing a fully integrated infrastructure and transportation system, a critical component of our country's rise as an Asian economic tiger.

While some investors are not comfortable with the PAL investment, we are confident that once our overall strategies are fully implemented, more will come to appreciate this investment.

As part of the company's overall debt management plan, we issued US$800 million in bonds in April this year,

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the largest ever US-dollar corporate bond by a private enterprise from the Philippines. This marked the inaugural drawdown of the company's newly-established Medium Term Note (MTN) program of up to US$2 billion. This allowed us to take advantage of low interest rates and extended payment tenors.

Throughout our transformation these past couple of years, we have never wavered in our resolve to play a major role in the development our country. We have come to understand that investing in our country is the best way to jumpstart growth as well as push forward our social development agenda.

It's in this spirit that we have taken on more meaningful social investments that have tangible, long-term benefits to our countrymen.

We are proud to report that for 2012, our spending for social development breached the P1-billion mark, the biggest by far, by any company in Philippine history. Of this, P550 million went towards constructing 5,000 new homes in Cagayan de Oro, Iligan, and Negros Oriental for the victims of typhoon Sendong, the single-largest corporate social responsibility initiative in the country.

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1 The 1,000 MW Sual coal-fired power plant in Pangasinan

2 A technician at San Miguel Brewery Inc.'s plant monitors the day's production

Even while 2013, and perhaps, the next few years, will continue to be a period of consolidation and fine-tuning, we are proud that we have helped spark investor confidence in our country and encouraged others to be as bold in rethinking the way they approach business.

We also continued to invest on important social causes that are closely tied to our country's development: education, health and nutrition, environmental preservation, community-building, and disaster management.

Overall, the strong results we have been reporting year after year proves that our diversification strategy is working. Even while 2013, and perhaps, the next few years, will continue to be a period of consolidation and fine-tuning, we are proud that we have helped spark investor confidence in our country and encouraged others to be as bold in rethinking the way they approach business.

As we take on the challenges ahead and focus on putting in place all the many moving parts of the San Miguel we envision, we remain fully committed and determined to achieve what has always been our bigger purpose—a better and more progressive Philippines.

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Q&A with Ramon S. Ang

SAN MIGUEL CORPORATION 2012 ANNUAL REPORT

"The success we now enjoy reflects the duties and responsibilities we owe."

San Miguel's president and chief operating officer talks about his own management style and the San Miguel way

What comes to mind as one of San Miguel's main accomplishments in the last year?

Overall I think it was a bumper year for San Miguel. Our businesses did very well. We had some difficulty in a few corners of the Group where performance could be better. We've faced down the issues of oil prices and the excise tax, which is going to have some effect on our beer and liquor business moving forward, but on the whole, it's been a good year. We own the largest oil company in the Philippines and are now the country's biggest producer of electricity alongside being the brewer of nine out of ten beers sold in the Philippines.

In March, we finalized our acquisition of ExxonMobil's downstream business in Malaysia and are now proudly operating under the Petron brand—and perhaps even shaking up the petrol retailing business a little.

Here at home, San Miguel bought into Asia's first airline, Philippine Airlines. Half a year on, we are now the Asian airline to watch, having bought 64 planes from Airbus.

By the time we are done, we will have one of the most modern fleets in the region. We've made improvements to everything from the menu to online bookings and ground service. We've begun flying to Toronto, and new destinations in the Middle East, Asia and Australia.

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Do you find yourself less focused on the traditional core businesses than on the new businesses?

Only because these businesses are much more established and I've worked with the management teams of these different companies for close to 15 years now. They know what I expect of them, and they know how I like things to be run. And to be very honest, they don't need me there, hovering over them. They are very capable; the best in the business.

For the new businesses, we've created new work teams, brought in a lot of people from the outside, all of whom are still learning how to work within the San Miguel system and do things the San Miguel way. The new businesses are also in industries that are relatively new to us and generally more dynamic, in that there are a lot more moving parts and external forces at work, so I'm having to take the time to learn the businesses from the inside out. I think you'll find that over time, I tend to turn over the reins to our managers. Two years ago, I'd sit down at least twice a week with the Petron team. Now I'm spending less time with them and more time with PAL, simply because it's our newest investment and there's a lot of work that needs to be done.



What do you mean when you say the "San Miguel way"?

In many of our businesses we have parameters on where and how to compete and how to win to maximize things that are important to us, things like long-term value and steady growth that we can sustain and build on.

San Miguel is a great company and it's driven by strong values that I don't mind saying were here even before we took over in 1998. Things like the importance of good execution, operating with a great degree of integrity, investing in people and communities.

These days, I think our company is more and more appreciated for what we do and what we contribute to the economy. So I think that's another value we have going for us: doing the right things for the long-term and for the greater good.

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What sort of values do you think you've brought to this company?

I don't know if you would call it a value, but I think I've brought to this huge company a sense of what it is to be entrepreneurial. I ran my own businesses long before I joined San Miguel. None of them were quite as big, but I think the reason why they were successful was because we brought an element of entrepreneurship to them. There was a certain comfort with taking risks, going for the big idea and being really invested in what we were doing.

In a company as large as San Miguel, it's sometimes difficult to get that level of commitment. Everyone's always a bit detached. The level of ownership isn't always there. It's also that much harder to work up an appetite for risks because it is publicly held. I understand this. But I also like to dream big, and I think that's paid off for San Miguel. I think, if anything, I've encouraged our people to take off their blinkers and challenge their own view of themselves and what we can do.

I'm also very results-oriented. I believe in accountability. So I think that's worked its way down the line and changed the way we do things around here.

To a certain extent I think I've also brought a fresh new set of eyes to each business. Sometimes all that's needed is a fresh take on things, the viewpoint from the outside. For instance in Philippine Airlines, it was relatively easy to decide that we needed to buy more planes. To keep the old ones was too expensive and not doing the PAL brand any favors. So we've invested in smaller wide-bodied planes that are more fuel-efficient. That way, we cut down on maintenance costs and don't have to fly half-empty planes between routes.

Our flights to Brisbane or Perth will make a short stop to refuel in Darwin, but because we're using a smaller plane, we can bring down costs and pass on those savings to the consumer.

When you think like an entrepreneur, you see all the little things that in the end can make a difference. The brand ambassadors that will greet you on the ground and help fill in your forms. The use of online booking systems and kiosks that will make it easy for people to buy tickets. Small things that boost your brand and your value as a company.



San Miguel seems to be taking a more active role in development issues. Why is this?

We've always said we want to be a partner in our country's growth. Not just a partner, but an engine in helping create this growth. This is the ambition we hold for ourselves.

Government doesn't have enough money to invest, and the entire idea of public-private partnerships has really taken off and become a key program of the Aquino presidency. We're seeing PPPs in electric utilities, water utilities, airports, ports, and, toll ways—industries which we want to be involved in one way or the other. It makes sense for the private sector to take on some of the development risk in these types of projects so that you can actually bring it forward for the benefit of the majority.

And from a business standpoint—infrastructure, power—these are good businesses that promise very, very good returns.

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Bayanihan village in Iligan province, one of the communities built for the victims of typhoon Sendong

So it makes sense from a business standpoint as well?

Yes, of course. We can't forget that we have a responsibility to our shareowners to give them a good return on their investment. But at the same time, the private sector, larger businesses in particular, has a bigger role to play.

The longer I've sat in this position of leadership as the head of SMC, I'm finding out that the challenges of development, of alleviating poverty or making lives better, are more and more appealing to me. I think when you're just starting out, you tend to think very narrowly. It's all about self-interest. Later in life, and with lots more experience behind you, you begin to understand that if you invest in people and bigger causes, they invest in you and help your business grow even more successful.

Every day, we have millions of Filipinos who use our brands or services, so there's a huge opportunity to touch many people on so many different levels. It's that whole thought that we can actually make major progress in society that has found its way into our current business philosophy. The success we now enjoy reflects the duties and the responsibilities we owe.

I really believe that it's San Miguel's responsibility as one of the country's leading companies to think more broadly and creatively about supporting infrastructure projects which are, in turn, going to spur demand for the products and services our other businesses supply. So all in all, these are mutually beneficial growth opportunities that present themselves to us.

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Ready for the next challenge

The Philippines has finally turned the corner. Yesterday's laggard is now the region's strongest performing economy, resurgent and advancing.

We believe that improving our country's energy sector is the best way to power and sustain this upward trajectory.

Our significant investments in the Philippine fuel and gas industry reflect our resolve to channel our resources into industries that will power our country forward.

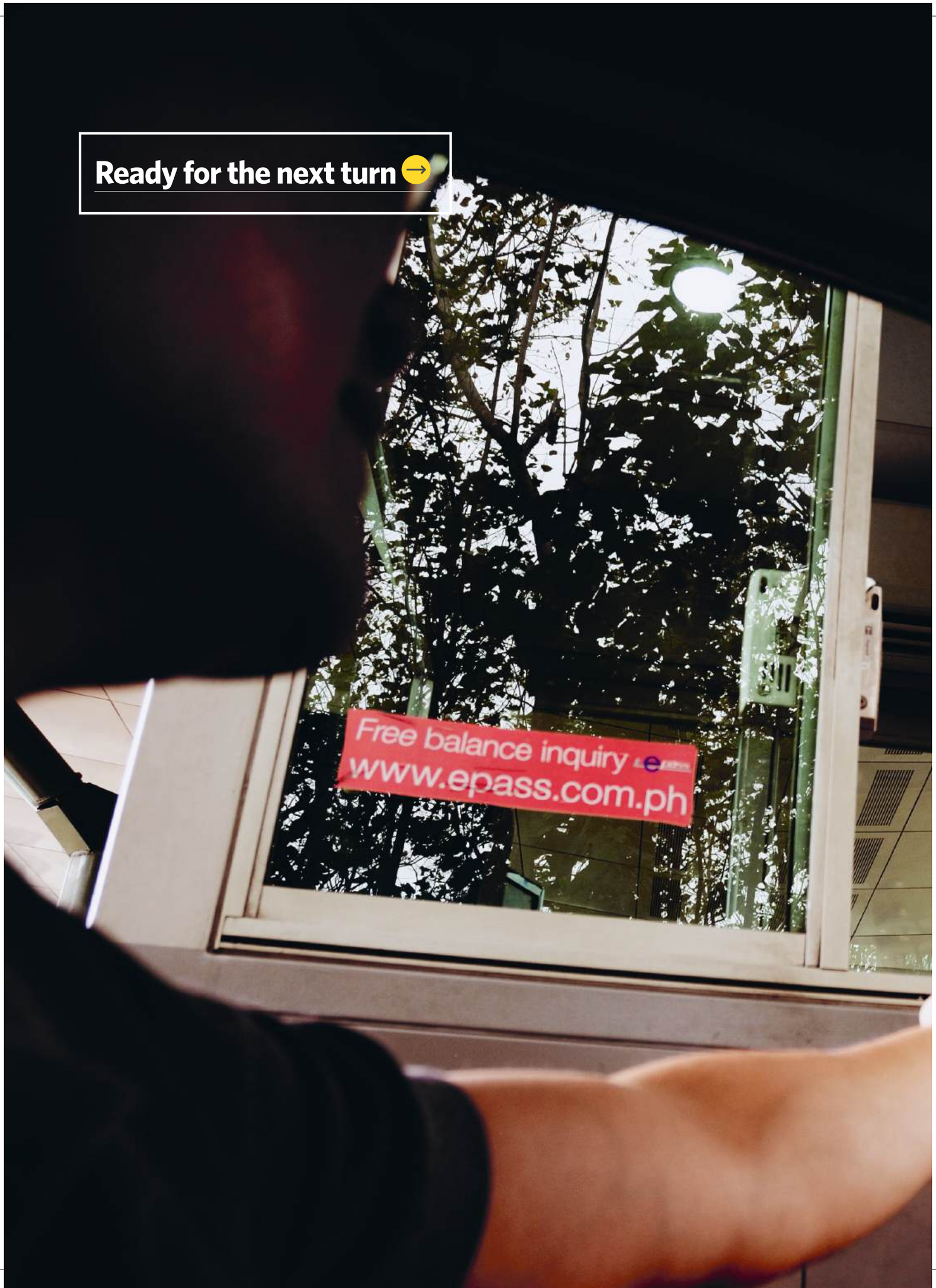
The US$2-billion upgrade of Petron's Bataan Refinery, which includes enhancements to the refinery's operations and the addition of new facilities, will result in an increase in conversion capabilities, allowing the business to better compete with multinational players, and participate more aggressively in the region's growing petrochemicals market.

Similarly, we have made the important investments to meet our nation's rising power needs. Our investments in new power generation facilities in Davao del Sur and Bataan will help ensure a more stable supply of electricity throughout the country and address the supply-demand imbalance.

San Miguel is committed to staying the course and ensuring that our country has sufficient power to keep moving onward.



Ready for the next turn



The Philippines' substantial infrastructure deficit is one factor that has held back our country's economic growth. With substantial potential and strong demand fundamentals, the Philippines is today one of the most promising markets in the Asia-Pacific. With economic growth forecast to average 6.2% to 6.4% in 2013 and 2014, respectively[1], the need to build up infrastructure to support this growth is a pressing concern.

To do its part in nation building, San Miguel has entered the infrastructure business by partnering with companies that hold long-term concessions to some of the country's most important infrastructure projects.

Our current portfolio of toll roads includes the Tarlac-Pangasinan-La Union Expressway, Skyway, and the South Luzon Expressway. At present, our portfolio includes 184 kilometers of expressways, and we are looking to develop another 215 kilometers through bolt-on projects.

For mass transit, we are majority owner of the company holding the concession for the MRT-7. We own and operate the Boracay airport, gateway to the country's top tourist destination. We are also an investor in the Manila North Harbor project, envisioned as the country's leading hub for sea transport.

San Miguel's foray into infrastructure has been game-changing not only in the macro level. Indeed, a robust infrastructure business has a powerful multiplier effect. Quality roads, bridges, and mass transport systems will further spur the economic development of our country.



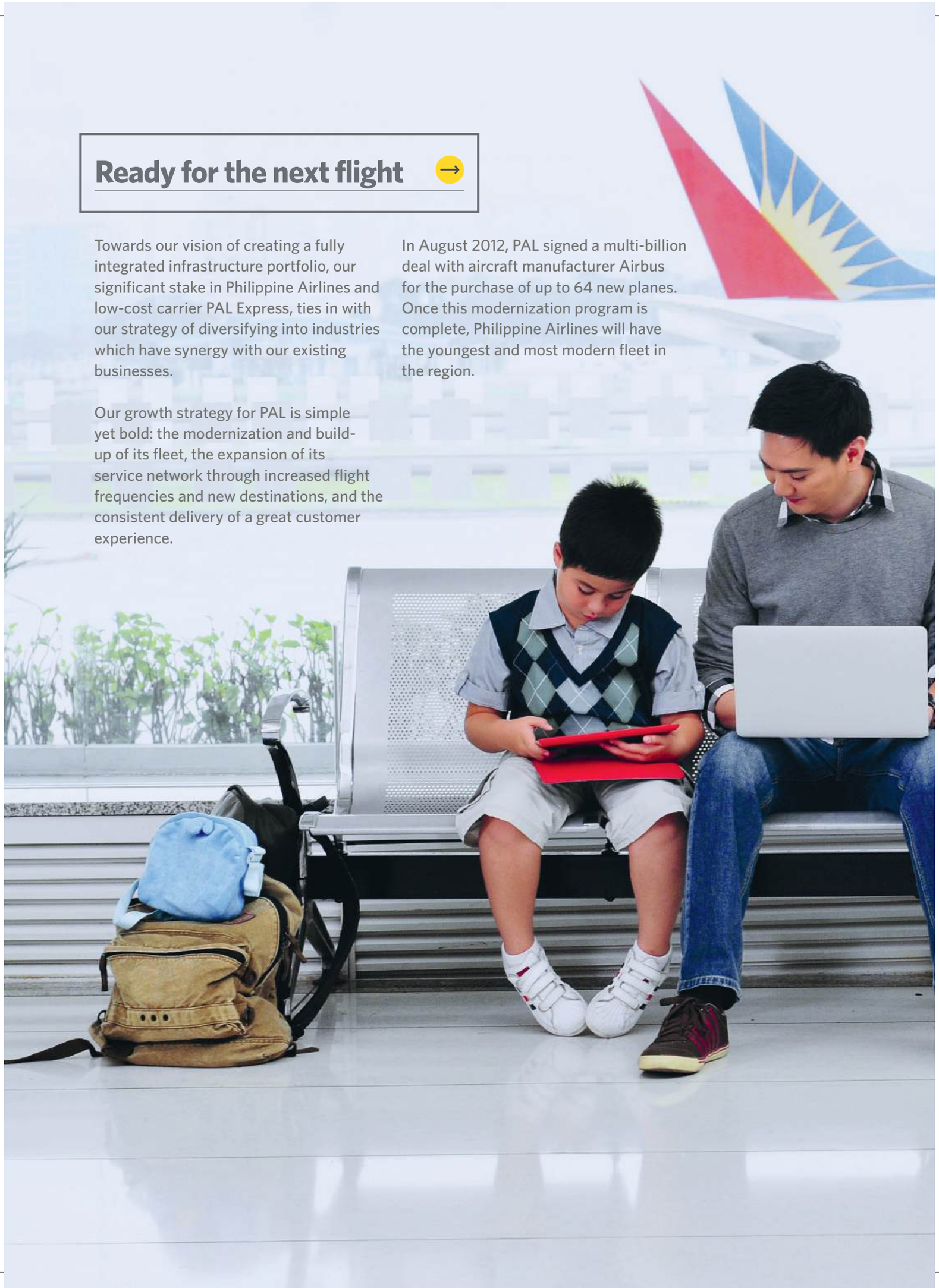
[1] World Bank's East Asia and Pacific Economic Update, April 2013.

Ready for the next flight

Towards our vision of creating a fully integrated infrastructure portfolio, our significant stake in Philippine Airlines and low-cost carrier PAL Express, ties in with our strategy of diversifying into industries which have synergy with our existing businesses.

Our growth strategy for PAL is simple yet bold: the modernization and build-up of its fleet, the expansion of its service network through increased flight frequencies and new destinations, and the consistent delivery of a great customer experience.

In August 2012, PAL signed a multi-billion deal with aircraft manufacturer Airbus for the purchase of up to 64 new planes. Once this modernization program is complete, Philippine Airlines will have the youngest and most modern fleet in the region.





Ready for the next day

Years of experience have taught us that the key to making our company more relevant to the people we wish to serve is to become as bullish in making the social investments that will impact their lives in a very profound way.

The future we see is one where Filipino lives are richer and more fulfilling: quality education for every child; nourishing food on every table; sufficient healthcare services for the sick; opportunities that are equal to the capabilities of a motivated workforce; a clean environment that allows our children to thrive; and homes that are resilient against natural calamities. Our contributions to these social causes manifest our commitment to building a stronger and more future-ready Philippines.





Management's Discussion & Analysis

SAN MIGUEL CORPORATION 2012 ANNUAL REPORT

In 2012, San Miguel Corporation accelerated its performance across several key metrics: sales growth from its core and new businesses, healthy operating profits and margins, and strong cash flow. The success of its strategy to steadily grow its traditional businesses, expand newer revenue streams, and pursue selective growth opportunities, are reflected in the company's markedly improved financial results over the last few years.

Consolidated sales revenue reached P699 billion, a 30% increase over 2011 on the back of solid contributions from all major businesses. Of this, 70% was derived from the new businesses, revenues of which improved 46% over 2011 levels. The core businesses, on the other hand, posted a 4% year-on-year increase.

Consolidated operating income was at P52.8 billion, lower by 6% due to raw material cost issues that weighed down Petron and the food business. However, with higher gains from other investments, coupled with favorable foreign exchange rates, profitability grew 57%, with consolidated net income attributable to equity holders of the parent company reaching P27.6 billion.

Consolidated recurring EBITDA, meanwhile, grew 1% to P78.1 billion.

As it has done over the last few years, the company continued to invest in high-growth industries that are closely linked to the Philippines' economic development. In April, San Miguel Equity Investments Inc. (SMEII) subscribed to newly-issued shares equivalent to a 49% equity interest in Trustmark Holdings Corporation and Zuma Holdings and Management Corporation, the holding companies of flag-carrier Philippine Airlines and its low-cost sister airline AirPhil Express—since rebranded PAL Express—in order to align service levels and operations to the standards of its parent.

The US$500 million investment marked San Miguel's entry into the aviation industry, further affirming our position as the Philippines' most aggressively diversifying conglomerate.

Moving into 2013, San Miguel Corporation continues to demonstrate solid business momentum with strong financial performance. Despite our substantial reinvestment in numerous capital-intensive projects and productivity and brand-building initiatives, the company managed to achieve broad-based sales and operating profit growth.

BEVERAGES

San Miguel Brewery Inc.

San Miguel Brewery Inc.'s consolidated revenues grew by 5% to P75.6 billion, supported by higher selling prices and volume sales of 225 million cases. This, along with the continued improvement in operational efficiencies and cost management programs, resulted in a 9% growth in operating income of P22.4 billion.

Domestic Operations

SMB asserted its market leadership through volume-generating and brand-specific activations, which boosted awareness and patronage for our beer brands.

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In particular, Red Hose reinforced its dominance in the strong beer category through its "#1 Extra Strong Beer" campaign and annual Pambansang Muziklaban Rock Challenge. Meanwhile, San Miguel Pale Pilsen strengthened its position through "Homecoming," a campaign that featured international celebrity Apl.de.Ap. This was complemented by focused activations in identified key areas. San Mig Light's sales increased, encouraged by its "Less Filling with Full Alcohol" proposition and the "Party All Night" and "Bucket Nights" bar tours. A new packaging design was also released for Visayas and Mindanao, generating favorable feedback from customers in those regions.

SMB continued to make a strong showing in the premium segment with Premium All-Malt, Super Dry and Cerveza Negra, collectively known as the SMB Lifestyle Brews—specialty beers that target the upscale market. Meanwhile, Gold Eagle further strengthened its hold on the Visayas and Mindanao markets via the "Sama-Sama Mag-Jamming, Sama-Sama Mag-Gold Eagle Beer" campaign, which was complemented by rural brand promotion initiatives.

Also making inroads was San Miguel Flavored Beer, whose growth quadrupled in 2012, supported by the "Talk" TV commercial, convenience store activations, and visibility and online efforts aimed at a younger (particularly female) market. To further capture new consumer segments, SMB introduced a new product—San Mig Zero in 330ml bottles—aimed at health conscious, calorie-counting drinkers.

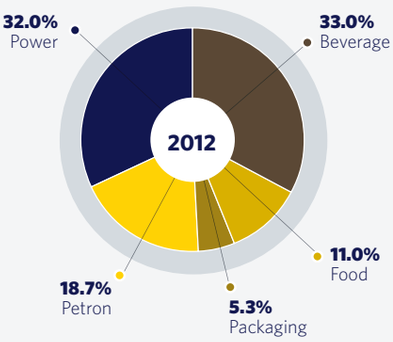
Volume and value growth was likewise propped up by improvements in operational efficiencies, continuous enhancements on quality and productivity, and cost management programs. Strategic sales initiatives were implemented to broaden trade reach, ensure product availability, secure customer relationships and tap emerging channels.

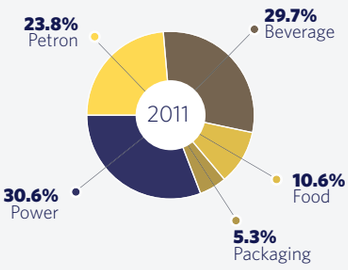
In April 2012, SMB completed its second retail bond offering after its record P38.8 billion offering in 2009. The P20 billion in proceeds was used to refinance the first tranche of the P38.8 billion bond issue that matured in April, and pay down half of its US$300-million term facility. The offering received a triple-A credit rating from the Philippine Rating Services Corp. and was listed in the Philippine Dealing and Exchange Corp.

With the implementation of the revised excise tax law at the start of 2013, SMB has laid out programs and plans to more effectively manage the excise tax rate increases.

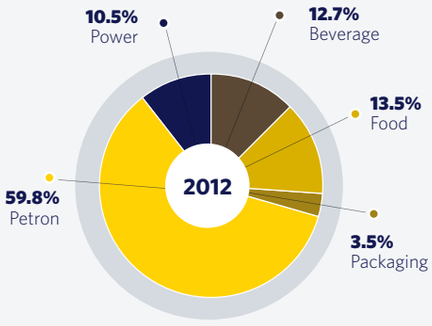
To comply with voluntary delisting rules from the Philippine Stock Exchange (PSE), SMB initiated a tender offer for the remaining 0.61% of outstanding shares held by minority shareholders at the offer price of P20 per share. The offer began March 4 and closed April 3, 2013.

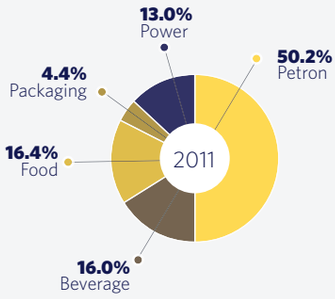
Contribution by EBITDA





Contribution by revenue



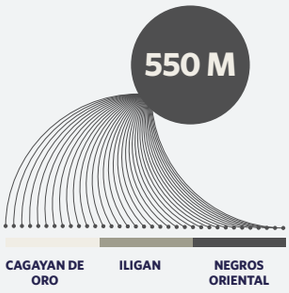


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Milestones

January

San Miguel Corporation commits P550 million to build homes for thousands of families left homeless by typhoon Sendong in Cagayan de Oro, Iligan and Negros Oriental.



March

San Miguel Pure Foods Company, Inc. registers all-time high revenues of P89.6 billion for 2011.



Growth drivers

- Greater demand
- New distribution channels
- New products
- Higher export sales

International Operations

San Miguel's international operations delivered strong financial results in 2012, with operating income up by 105% despite the slight decline in volumes over the previous year. SMBIL's favorable financial performance was driven by improvements across most of its units, with the exception of Hong Kong and North China. SMBIL continued to enhance operational efficiencies and strengthen cost management, which contributed to improved results in 2012.

Indonesia registered another solid performance in 2012 as volumes and income posted hefty gains. Volume growth was supported by expansion programs, resulting in double-digit increases for all brands. At the forefront were San Miguel brands, which saw volumes grow by 37% in 2012 while flagship brand Anker Bir posted 8% growth. Operating income was significantly higher in 2012 owing to higher volumes and better margins.

After a difficult 2011, Thailand bounced back with a strong recovery in 2012. Volume grew by double-digits, owing to more efficient advertising and sales promotion activities and intensified market penetration programs. Operating results improved on the back of volume improvement, lower fixed costs and higher export margins.

Total volumes in Vietnam declined in 2012 largely as a result of the rationalization of unprofitable outlets in the first half of the year. Volume has been improving, posting month-on-month increases from July onward as a result of a sales initiative known as the "Neighborhood Expansion Program." Operating results improved despite volume losses resulting from the rationalization in our distribution network. This was mitigated by lower spending and robust export volumes.

Hong Kong registered higher volumes in 2012 compared to the previous year, driven by the performance of San Mig Light, which benefited from its being made available in convenience stores and its continued growth in local bars and pubs. Higher sales of partner brands such as Budweiser and the addition of Kirin to its portfolio in 2012, likewise lifted total volumes in Hong Kong. Even as the company delivered an operating profit in 2012, higher promotion costs weighed down our results versus last year.

Our operations in China continued to face challenges in 2012. In our North China operations, the aggressive outlet buyout by our competitors in Baoding affected sales and profitability. South China operations meanwhile embarked on a major sales restructuring program, which expanded the number of distributors in its key markets. The transition led to lower volumes in 2012. Nevertheless, operating losses in South China improved due to lower spending as a result of a business restructuring exercise in 2011 and lower fixed expenses.

Beer Exports performed well in 2012, with volume growth driven by higher sales to South Korea, Malaysia, the Maldives, Qatar and Japan. Volumes to Taiwan and the United States, as well as our newer markets such as Angola, Australia, Bahrain and Canada, remained stable.

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Ginebra San Miguel Inc.

The year 2012 continued to be a challenging period for Ginebra San Miguel Inc.

Flagship Ginebra San Miguel increased volume sales by 19% against the previous year, a result of the company's deliberate strategy to play on its core strengths through the "Lahing Ginebra, Ikaw Na" and "Ginumanfest" campaigns. These initiatives pushed domestic volumes in striking distance of 2011 levels, ending at 23.8 million cases.

Boosted by higher contribution margins from lower alcohol costs, GSMI's operating losses were trimmed down to P566 million from almost P900 million in 2011.

To offset the impact of a higher excise tax, the company will implement a more aggressive sales and marketing push capitalizing on flagship brand Ginebra San Miguel's renewed strength. GSMI will extend the "Lahing Ginebra" equity to its other brands via TV ads and "Ginumanfest." The company will also aim to improve distribution by strengthening its dealer and wholesaler network.

FOOD

San Miguel Pure Foods Company Inc. (SMPFC) registered another record year with revenues reaching P95.8 billion, a 7% increase over 2011. The growth is attributed to higher volume sales across all major segments, driven by greater demand, the introduction of new products, and the expansion of its distribution network.

Operating income reached P5.25 billion, lower than 2011, on account of the cost challenges that confronted the Agro-Industrial cluster in the early part of 2012. Among these were the higher cost of major raw materials and lower selling prices of hogs due to the influx of cheap, imported frozen pork meats. The company's recovery, which began in the second quarter, was sustained with quarter-on-quarter improvements in operating profitability. This was made possible through greater use of raw material substitutes and the strengthening of our raft of more stable-priced products.

Meanwhile, our value-added businesses consisting of Purefoods Hormel, Magnolia Dairy and San Mig Coffee, continued to deliver healthy results, driven by the strong performance of its core brands as well as new products.



San Miguel Brewery operates six world-class domestic facilities, including five breweries and one bottling plant

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Milestones

March

SMC affiliate Petron Oil & Gas International Sdn Bhd completes acquisition of:

65% Esso Malaysia Berhad (EMB)

100% ExxonMobil Malaysia Sdn Bhd

100% ExxonMobil Borneo Sdn Bhd



Our Food Group posted another banner year in 2012

Moving forward, the food group will further strengthen programs on product innovation and fast track the opening of exclusive branded outlets such as Magnolia Chicken Stations and Monterey Meatshops. These outlets are critical to the food group's strategy of shifting to the more stable-priced, value-added segments of the business, lessening its exposure to volatile commodity pricing, thus improving profitability and margins. The food group also started the construction of a P3-billion grain terminal in Mabini, Batangas which is expected to be operational in the second half of 2013. This terminal can accommodate large vessels and will lower freight and storage costs.

Agro-Industrial

The Agro-Industrial cluster posted a 9% increase in revenues, with all segments—poultry, fresh meats and feeds—contributing to its performance. Revenues for the poultry business grew due to increased demand in a low-supply industry setting, while fresh meats delivered double-digit revenue growth. Commercial feeds also delivered higher revenues on the back of more focused sales initiatives.

The poultry segment strategically diverted volumes to stable-priced segments. Higher selling prices for commercial feeds also offset the margin squeeze caused by high raw material prices.

Value-added

The value-added segment continued its growth streak in 2012, registering a 13% increase in revenues compared to 2011 levels. Overall sales volume grew with the combined volume growth of core brands Tender Juicy, Purefoods Star, Purefoods Corned Beef and the Nuggets category. Following its full launch in 2012, Crispy Juicy Drummets posted significant growth. To meet the growing demand for nuggets, the business expanded its line capacity. Operating income posted a substantial increase, driven mainly by growth in volumes.

Milling

The milling business registered a 2% volume growth in flour amidst competition from lower-priced imports. To augment its line of value-added mixes, the business launched Magnolia All-Purpose Flour. This, along with lower wheat costs, translated to a modest growth in operating income.

The business also continued to expand its neighborhood bakeries called "Kambal Pandesal" from 10 to 62 outlets to support their shift to value-added goods.

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Dairy and Others

Revenues for dairy, fats and oils rose 2%, resulting from the strong performance of the cheese and ice cream segments. New product launches supported by advertising initiatives also contributed to the growth.

San Miguel Super Coffeemix Co. Inc. invested in efforts to promote its new San Mig Coffee Super Packs line. Increased penetration and above-the-line marketing initiatives, including TV and radio advertisements, digital campaigns, and the re-naming of the Food Group's PBA franchise to the San Mig Coffee Mixers, helped bring about a 30% growth in revenue.

PACKAGING

The Packaging Group turned in another positive year. Consolidated revenues reached P24.5 billion, a 1% increase over 2011 as a result of successful customer penetration programs in both the domestic and international markets.

The company clinched long-term contracts with major local companies such as Pepsi and RC Cola. It also developed new customers within Asia, particularly in Myanmar, Malaysia and Indonesia, and continued to increase sales to the United States and Australia. The successful launch of new products also contributed to its performance.

Operating income for the packaging group grew 6% to reach P2.3 billion, owing to better efficiencies brought on by equipment modernization and improvements in its cost structure.

The glass segment achieved total revenues of P8.04 billion, almost at par with last year, driven by robust domestic sales to internal customer San Miguel Brewery, and increased sales to Pepsi Cola Philippines, Inc. The international operations also made its contribution, marking the year with the onset of exports to Indonesia and continued exports to the US and Australia.

Revenues from the metals segment reached P4.17 billion in 2012, backed by increased sales to major domestic customers. The group also expanded its reach in Malaysia and Thailand. SMYPC entered into a joint venture with Can-Pack S.A. of Poland to form Can Asia, Inc., which will enable the metal container business to develop new products and modernize its facilities.

Plastics ended the year on a high note with a 40% increase in revenues, which amounted to P2.14 billion. This growth is attributed to increased sales of crates, the use of plastic pallets for glass bottles exported to Australia, and the development of a new design for poultry flooring called E-mats.

The paper segment posted revenues of P1.5 billion, down 8%, largely the result of challenging conditions in the banana industry and disruptions caused by typhoon Pablo. However, aggressive fixed cost containment measures and better prices helped cushion the shortfall in volumes. The paper plant also underwent an expansion program that effectively doubled its capacity, improving its prospects for the future.

Milestones

April

SMC subsidiary, San Miguel Equity Investment Inc., acquires a minority stake in flag carrier Philippine Airlines Inc. and low-cost carrier AirPhil Express, later renamed PAL Express.

Meanwhile, the PET segment was able to secure a five-year beverage-filling contract for RC Cola in Luzon, and for Pepsi Cola Philippines, Inc. At the same time, it successfully captured 100% of the 2013 requirements of Pepsi's carbonated soft drinks for preforms, and Del Monte for plastic caps. It also served other beverage players like Asia Brewery Inc.'s Cobra plastic cap requirements. All of these, in tandem with the launch of new products, resulted in a 15% growth in sales revenues.

It was a turnaround year for flexibles, with notable increases in its sales and profitability. Australian subsidiary Cospak, however, continued to operate in a difficult market environment owing to a slowdown in the local manufacturing sector.

FUEL AND OIL

Petron Corp. posted revenues of P425 billion for 2012, a 55% improvement from 2011. While this improvement was partly

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Milestones

August

Deemed the single biggest deal in the country's aviation history, PAL seals US$7 billion contract with Airbus as part of its multi-year, re-fleeting and modernization plan.



driven by the consolidation of the newly acquired business in Malaysia, Philippine operations registered a 3% revenue growth over the previous year, benefiting from higher volumes and prices. Petron Malaysia reported P142 billion in revenues.

Volumes grew to 74.3 million barrels, with Philippine operations contributing 47.7 million barrels, while Malaysian operations accounted for 26.6 million barrels. Domestic sales in the Philippines were almost 8% higher than the previous year.

Consolidated operating income was at P9.4 billion, significantly lower than 2011 levels, despite the P1.5 billion earned from the company's Malaysian operations. Volatility in both crude oil and petroleum product prices, particularly in the second quarter when Dubai crude continuously fell from a high of US$124/bbl to US$89/bbl., resulted in net losses during the quarter.

Much progress has also been made in the US$2-billion upgrade of the Petron Bataan Refinery. With the project halfway complete by the end of 2012, commercial operations are expected to begin by the second half of 2014. This upgrade will enable Petron to convert existing low margin fuel oil to higher-margin products such as gasoline, diesel, and petrochemicals. The upgrade will also enable the company to utilize the refinery at almost full capacity, allowing it to digest cheaper crudes, and improve its compliance to international environmental standards.

The first two units of the refinery's power plant, which will have a combined output of 70-MW, are set for completion by the second half of 2013, and will allow Petron to immediately post savings starting this period. Completion of the third and fourth units, which will add another 70-MW, is set to coincide with the commissioning of RMP-2.

Petron also continued to expand its service station network, a strategy that has boosted domestic volumes considerably since SMC acquired Petron in 2008. As of end-2012, the number of service stations had grown to 2,015.

Early in 2012, Petron completed its acquisition of ExxonMobil Malaysia's downstream operations. Re-launched as Petron Malaysia, the overseas subsidiary has played a crucial role in the company's strategy for growth and margin protection, as shown in the consolidated performance for the year. By the close of 2012, Petron was able to re-brand 69 stations in highly visible sites, with plans currently underway to convert the rest of the total 555 stations by 2014.

Petron Corporation also issued undated subordinated capital securities in the first quarter of 2013, raising a total of US$750 million with an effective rate of 7.2%. The proceeds will be used for capital expenditures relating to phase 2 of the refinery upgrade and for general corporate purposes.

POWER

In just three short years, San Miguel Global Power was able to establish itself as a formidable player in the power industry with a highly diversified portfolio of power plants, each contributing significantly to the unit's outstanding financial results.

In 2012, SMC Global Power registered net revenues of P74.7 billion, 4% higher than in 2011, driven by increased demand from bilateral customers. Off-take volume of the three plants grew 6% to 15,961 GWh despite forced outages throughout the year. Operating income at P17.1 billion was almost at the same level as the prior year as strong revenue growth was dampened by additional costs incurred due to Sual's forced outages and higher natural gas prices for Ilijan.

Sual power plant reported a 7% growth in revenues on the back of better offtake volumes, which reached 7,187 GWh, 12% higher than in the previous year. Operating income was at par with 2011, as improved revenues and plant utilization compensated higher power purchases due to forced outages.

The Ilijan power plant's revenues surpassed 2011 levels, registering a 7% increase due to higher demand from bilateral customers. Total off-take volume improved 6% to 8,679 GWh. Total net generation increased 3% to 8,223 GWh as the plant's utilization rate improved 78%, up from 76% in

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Our over 2,000 Petron service stations, which are a natural distribution point for our food and beverage products, also serve as outlets for our other businesses and services

2011. Operating income declined, given higher natural gas prices, higher purchased-power cost, and forced outages.

San Roque posted a 5% growth in revenues to reach P5.85 billion. Higher WESM prices outweighed lower off-take volume of 992 GWh brought on by lower water dam reservoir levels. Thus, operating income increased by 13%.

Now accounting for over 10% of San Miguel's total gross revenues, SMC Global Power has already started outlining its growth plans in anticipation of the country's projected power demand over the next 20 years. It has disclosed a number of greenfield projects, including coal-fired power plants in Mindanao and Luzon.

INFRASTRUCTURE

In December 2011, San Miguel invested in a 46.5% stake in Atlantic Aurum Inc., allowing the company to enter the business of operating and maintaining two of the country's major toll roads: the South Luzon Expressway (SLEx) and the Skyway system. Concession rights for expansion projects of SLEx and Skyway also form part of this investment.

Meanwhile, construction of the Tarlac-Pangasinan-La Union Expressway (TPLEx) remains on track. By the third quarter of 2013, the 46-kilometer stretch from Tarlac to Carmen, considered as the first phase of the project, will be operational. The remainder of 88.6-kilometer highway is due for completion by late 2014.

As for the MRT-7 project, San Miguel has awarded the engineering procurement contract to Marubeni and is now awaiting government's release of the Performance Undertaking. From there, the processing of the financial close can be initiated. The company is working towards this target by the end of the year. Construction of the 44-kilometer rail and road project is set to begin immediately following the financial close and will take an estimated 42 months to complete.

The extension of the Boracay Airport runway is also ongoing. The company expects to complete the preliminary design of the runway and be able to tender the Engineering Procurement Contract, by this year. Construction is expected to start by the first quarter of 2014 with completion set for 2015.

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We endeavor to improve the quality of life of many Filipinos by building integrated infrastructure projects

PROPERTIES

In 2012, San Miguel Properties Inc. focused on building its residential portfolio and endeavored to increase sales through targeted promotions and the launch of new home designs. Ongoing subdivision projects in General Trias, Cavite, which include Maravilla, Bel Aldea and Asian Leaf, saw an increase in reservations and higher bookings for the year.

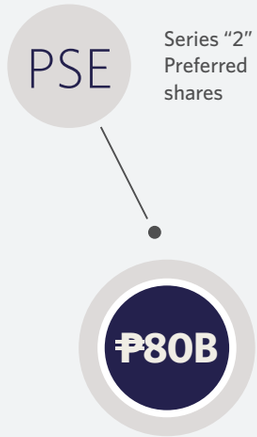
The Wedgewoods residential subdivision west of Sta. Rosa, Laguna, to date, is nearly sold out. The company is looking to expand the development to take advantage of increased economic activity in the area. Its strong residential sales, stable rental income stream, and asset management services, generated P829 million in revenues for SMPI.

For 2013, SMPI will continue to expand its portfolio of projects, with ongoing townhouse properties in San Juan, Pasig and Mandaluyong, as well as a 29-storey serviced apartment in Makati.

Milestones

September

SMC completes its P80 billion Series "2" Preferred shares offering, and is listed in the PSE



November

San Miguel Pure Foods Company, Inc. completes its secondary offering of 25 million common shares



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Financial Position



SMC's consolidated total assets as of December 2012 amounted to more than P1 trillion, P147.4 billion higher than in 2011. This is largely due to Petron's acquisition and consolidation of Petron Malaysia, on top of the group's substantial investments in property, facilities and equipment—with considerable acquisitions made by our oil refining subsidiary as part of its US$2-billion refinery upgrade.

Short-term debts grew by P68.7 billion, while long-term debts were higher by P12.8 billion, primarily the result of an increase in Petron's liabilities. SMC's total interest-bearing debt amounted to P375.5 billion, while consolidated net debt reached P249.9 billion.

These existing liabilities are being proactively managed. In January 2013, the company initiated a tender offer to redeem US$600 million in exchangeable bonds. In April, San Miguel issued US$800 million notes under the US$2 billion Medium Term Note (MTN) program and likewise availed of a US$ 1.3 billion term facility. These initiatives, mainly for refinancing, have allowed the company to take advantage of a longer repayment schedule and lower interest rates.

Current ratio remained healthy at 1.39 as of end 2012, an improvement over 2011's ratio reported at 1.61. Total liability-to-equity ratio slightly improved at 1.97x, from 1.98x during the same period in 2011. Considering only interest-bearing debt, debt-to-equity ratio was 1.07x and 0.98x, as of end 2012 and 2011, respectively.

Total equity attributable to equity holders of the parent company grew to P252 billion in 2012, up from P229 billion in 2011 as a result of retained income, and the net increase in paid-in capital resulting from the issuance of Series "2" Preferred shares, net of the redemption of the Series "1" Preferred shares. Non-controlling interest, on the other hand, reached P97.6 billion, an increase over 2011 levels posted at P69.7 billion, with the minority interest associated with the acquisition of Petron Malaysia.

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Corporate Governance

SAN MIGUEL CORPORATION 2012 ANNUAL REPORT

San Miguel Corporation is committed to the highest standards of corporate governance. Good governance is key in effective decision making, in delivering on corporate strategy, which translates to generating shareholder value and safeguarding the long-term interests of shareholders.

As a responsible corporate citizen, the company has in place efficient policies and programs to ensure that we do the right thing.

Our Board of Directors, led by our Chairman, Mr. Eduardo M. Cojuangco, Jr., believes in conducting our business affairs in a fair and transparent manner, and in maintaining the highest ethical standards in all the business dealings of the company.

SHAREHOLDERS' RIGHTS

The company recognizes that the most cogent proof of good corporate governance is that which is visible to the eyes of its investors.

Voting rights
Each common share in the name of the shareholder entitles such shareholder to one vote, which may be exercised in person or by proxy at shareholders' meetings, including the Annual General Stockholders' Meeting (AGSM). Common shareholders have the right to elect, remove and replace directors as well as vote on certain corporate acts specified in the Corporation Code.

Preferred Shareholders have the right to vote on matters involving certain corporate acts specified in the Corporation Code and enjoy certain preferences over holders of common shares in terms of dividends, and in the event of liquidation of the company.

Among the corporate actions approved by the shareholders in 2012 were the increase in the authorized stock of the company from ₱22.5 billion to ₱30 billion, the creation and issuance of Series "2" Preferred Shares, and the amendment of the Amended Articles of Incorporation of the company to reflect such changes.

Pre-emptive rights
Under the company's amended Articles of Incorporation, as approved by the shareholders in a meeting held on May 17, 2009, and as approved by the Securities and Exchange Commission (SEC), shareholders do not have pre-emptive rights to the issuance of shares relating to equity-linked debt or other securities, any class of preferred shares, shares in payment of a previously contracted debt or shares in exchange for property needed for corporate purposes, to give the company greater flexibility in raising additional capital, managing its financial alternatives and issuing financing instruments.

On May 31, 2010, the shareholders of the company approved to amend the articles of incorporation to deny pre-emptive rights to any issuance of common shares. Such amendment of the articles of incorporation was approved by the SEC on August 10, 2010.

Subject to certain conditions, shareholders also do not have pre-emptive rights to shares issued, sold or disposed of by the company to its officers and/or employees pursuant to a duly approved stock option, stock purchase, stock subscription or similar plans.

Right to Information
Shareholders are provided, through the Investor Relations group, disclosures, announcements, and, upon request,

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periodic reports filed with the SEC. All disclosures of the company are likewise immediately available and copies downloadable at the company's website upon disclosure to the Philippine Stock Exchange (PSE).

Dividends
Shareholders are entitled to receive dividends as the Board, in its discretion, may declare from time to time. However, the company is required, subject to certain exceptions under the law, to declare dividends when the retained earnings equal to or exceed its paid-up capital stock.

In 2012, the company paid out cash dividends of ₱6.00 per Series "1" Preferred Shares and a total of ₱1.40 per common share.

STAKEHOLDER RELATIONS

San Miguel Corporation exercises transparency when dealing with shareholders, customers, employees, trade partners, creditors, and all other stakeholders. The company ensures that these transactions adhere to fair business practices in order to establish long-term and mutually-beneficial relationships.

Shareholder Meeting and Voting Procedures
Stockholders are informed at least 15 business days before the scheduled meeting of the date, time, and place of the validation of proxies. In 2012, Notices of the 2012 AGSM were sent to the stockholders on May 14, 2012, thirty days prior to the AGSM. Voting procedures on matters presented for approval of the stockholders in the AGSM are set out in the Definitive Information Statement distributed to all shareholders of the company.

Shareholder and Investor Relations
San Miguel Corporation responds to information requests from the investing community and keeps shareholders informed through timely disclosures to the PSE and the SEC, through regular quarterly briefings, AGSMs, investor briefings and conferences, the company's website, and responses to email and telephone queries. The company's disclosures and other filings with the SEC and PSE are available for viewing and download from the company's website.

The company, through the Investor Relations group under Corporate Finance, regularly holds briefings and meetings with investment and financial analysts.

DISCLOSURE AND TRANSPARENCY

San Miguel Corporation adheres to a high level of standard in its corporate disclosure and adopts transparency with respect to the company's financial condition and state of corporate governance.

Ownership Structure
The top 20 shareholders of the company, including the shareholdings of certain record and beneficial owners who own more than 5% of its capital stock, its directors and key officers, are disclosed annually in the Definitive Information Statement distributed to shareholders prior to the AGSM.

Financial Reporting
San Miguel Corporation provides the investing community with regular updates on operating and financial information through adequate and timely disclosures filed with the SEC and the PSE.

Consolidated audited financial statements are submitted to the SEC and the PSE on or before the prescribed period and are distributed to the shareholders prior to the AGSM.

San Miguel Corporation's financial statements conform to Philippine Accounting Standards and Philippine Financial Reporting standards, which are all in compliance with International Accounting Standards.

Quarterly financial results, on the other hand, are released and are duly disclosed to the SEC and PSE in accordance with the prescribed rules. The results are also presented to financial and investment analysts through a quarterly analysts' briefing. These disclosures are likewise posted on the company's corporate website.

In addition to compliance with structural reportorial requirements, the company discloses in a timely manner market-sensitive information such as dividend declarations, joint ventures and acquisitions, sale and divestment of significant assets that materially affect the share price performance of the company.

Securities Dealing
The company has adopted a policy which regulates the acquisition and disposal of company shares by its directors, officers and employees, and the use and disclosure of price-sensitive information by such persons. Under the policy, directors, officers and employees who have knowledge or

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are in possession of material non-public information are prohibited from dealing in the company's securities prior to disclosure of such information to the public. The policy likewise prescribes the periods before and after public disclosure of structured and non-structured reports during which trading in the company's securities by persons who, by virtue of their functions and responsibilities, are considered to have knowledge or possession of material non-public information is not allowed.

ACCOUNTABILITY AND AUDIT

The Audit Committee has oversight functions with respect to the external and internal auditors. The role and responsibilities of the Audit Committee are clearly defined in the company's Manual on Corporate Governance.

External Auditor
The accounting firm of Manabat Sanagustin & Company CPAs, accredited by the SEC, served as the company's external auditors for the fiscal years 2011 and 2012.

The external auditor is selected and appointed by the shareholders upon the recommendation of the Board and subject to rotation every five years or earlier in accordance with SEC regulations. The external auditor's main function is to facilitate the environment of good corporate governance as reflected in the company's financial records and reports, through the conduct of an independent annual audit on the company's business and rendition of an objective opinion on the reasonableness of such records and reports.

The external auditors are expected to attend the AGSM of the company and respond to appropriate questions during the meeting. They also have the opportunity to make a statement if they so desire. In instances when the external auditor suspects fraud or error during its conduct of audit, they are required to disclose and express their findings on the matter.

The company paid the external auditor Audit Fees amounting to approximately ₱13 million both in 2011 and 2012.

Internal Audit
Internal audit is carried out by the San Miguel Group Audit (SMGA), which helps the organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. SMGA directly reports to the Audit Committee.

SMGA is responsible for identifying and evaluating significant risk exposures and contributes to the improvement of risk management and control systems by assessing adequacy and effectiveness of controls covering the organization's governance, operations and information systems. By evaluating their effectiveness and efficiency, and by promoting continuous improvement, the group maintains effective controls of their responsibilities and functions.

BOARD OF DIRECTORS

Compliance with the principles of good corporate governance starts with the company's Board of Directors. The Board is responsible for oversight of the business, affairs and integrity of the company; determination of the company's mission, long-term strategy and objectives; and management of the company's risks through evaluation and ensuring the adequacy of the company's internal controls and procedures.

It is the responsibility of the Board to foster and engender the long-term success of the company and secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, exercised in the best interest of the company, its shareholders, and other stakeholders.

Composition
The Board consists of 15 members, each elected by the common stockholders during the AGSM. The Board members hold office for one year until their successors are duly elected and qualified in accordance with the amended by-laws of the company.

The broad range of skills, expertise and experience of the directors in the fields of management, economics, business, finance, accounting, and law ensure comprehensive evaluation of, and sound judgment on, matters relevant to the company's businesses and related interests. The names, profiles, and shareholdings of each director are found in the Definitive Information Statement, distributed prior to the AGSM.

The Board of Directors and the senior management of the company have all undergone the requisite training on corporate governance.

Independent and Non-Executive Directors
San Miguel Corporation has three independent directors, which is more than the legal requirement of having at least two independent directors or 20% of its board size,

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whichever is less but in no case less than two. Currently, of the 15 directors, Mr. Winston F. Garcia, former Chief Justice Reynato S. Puno and Mr. Margarito B. Teves sit as independent and non-executive directors of the company.

The company defines an independent director as a person who, apart from his fees and shareholdings, has no business or relationship with the corporation, which could, or could reasonably be perceived to, materially interfere with the exercise of his independent judgment in carrying out his responsibilities as a director. An independent director shall submit to the corporate secretary a certification confirming that he possesses all the qualifications and none of the disqualifications of an independent director at the time of his election and/or re-election as an independent director.

The company strictly complies with SEC Memorandum Circular No. 9, series of 2011 on the term limits of independent directors.

Chairman/CEO and President/COO

The Chairman of the Board and Chief Executive Officer is Mr. Eduardo M. Cojuangco, Jr. while Mr. Ramon S. Ang holds the position of Vice Chairman, President and Chief Operating Officer. These positions are held by separate individuals with their respective roles clearly defined to ensure independence, accountability and responsibility in the discharge of their duties. The Chairman/CEO and the President/COO both attended the AGSM for 2012.

Board Performance

The Board holds regular meetings. To assist the directors in the discharge of their duties, each director is given access to the corporate secretary and assistant corporate secretary, who serve as counsel to the board of directors and at the same time communicate with the Board, management, the company's shareholders and the investing public.

In 2012, the Board held ten meetings. Set out below is the record of attendance of the directors at these meetings and at the AGSM.

	20 Jan	28 Mar	18 Apr	11 May	14* May	24 July	13 Aug	11 Oct	14 Nov	13 Dec
Eduardo M. Cojuangco, Jr.	●	●	◙	●	●	●	●	●	●	◙
Ramon S. Ang	●	●	●	●	●	●	●	●	●	●
Estelito P. Mendoza	●	-	●	●	●	●	●	●	●	●
Iñigo Zobel	●	-	●	●	●	●	●	●	●	-
Winston F. Garcia	●	●	●	-	-	-	●	●	●	●
Leo S. Alvez	●	●	●	●	●	●	●	●	●	●
Menardo R. Jimenez	●	●	●	●	●	●	●	-	●	●
Roberto V. Ongpin	●	●	◙	●	●	●	◙	◙	◙	●
Alexander J. Poblador	●	●	●	●	●	●	●	●	●	●
Ferdinand K. Constantino	●	●	●	●	●	●	●	●	●	●
Joselito D. Campos, Jr.	●	●	●	●	●	●	●	●	●	●
Eric O. Recto	●	-	◙	●	●	●	●	●	●	●
Reynato S. Puno	●	●	●	●	●	●	-	-	●	●
Margarito B. Teves	N/A	N/A	N/A	N/A	N/A	●	●	●	●	●
Thomas A. Tan	N/A	N/A	N/A	N/A	N/A	●	●	●	●	●
Hector Hofilleña	●	●	-	●	●	N/A	N/A	N/A	N/A	N/A
Carmelo L. Santiago	●	●	◙	●	●	N/A	N/A	N/A	N/A	N/A

* Annual General Stockholders Meeting and Organizational Board Meeting

● Present

◙ via teleconference

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Board Remuneration

The amended by-laws of the company provides that the Board of Directors shall receive as compensation no more than 2% of the profits obtained during the year after deducting general expenses, remuneration to officers and employees, depreciation on buildings, machineries, transportation units, furniture and other properties. Such compensation shall be apportioned among the directors in such manner as the Board deems proper. In 2010, the Board of Directors approved the increase in the per diems for each Board meeting attended by the members of the Board from ₱10,000 to ₱50,000, and from ₱10,000 to ₱20,000 for each committee meeting attended.

Directors who are executive officers of the company are likewise granted stock options under the company's Long-Term Incentive Plan for Stock Options, which plan is administered by the Executive Compensation Committee.

Board Committees

To assist the Board in complying with the principles of good corporate governance, the Board created four committees.

Executive Committee. The Executive Committee is currently composed of six directors, which includes the chairman of the Board and CEO, vice-chairman of the Board, president and COO. Mr. Eduardo M. Cojuangco, Jr. sits as chairman of the Committee. The committee acts within the power and authority granted upon it by the Board and is called upon when the Board is not in session to exercise the powers of the latter in the management of the company, with the exception of the power to appoint any entity as general managers or management or technical consultants, to guarantee obligations of other corporations in which the company has lawful interest, to appoint trustees who, for the benefit of the company, may receive and retain such properties of the company or entities in which it has interests and to perform such acts as may be necessary to transfer ownership of such properties to trustees of the company, and such other powers as may be specifically limited by the Board or by law.

The Executive Committee held one meeting in 2012.

Nomination and Hearing Committee. The Nomination and Hearing Committee is currently composed of six voting directors—one of whom is independent, Mr. Reynato S. Puno—and one non-voting member in the person of the company's Corporate Human Resources' Head. Atty. Estelito P. Mendoza is the chairman of the committee.

Among others, the Nomination and Hearing Committee screens and shortlists candidates for Board directorship in accordance with the qualifications and disqualifications for directors set out in the company's Manual on Corporate Governance, the amended articles of incorporation and amended by-laws of the company and applicable laws, rules and regulations.

In 2012, the Nomination and Hearing Committee held one meeting.

Executive Compensation Committee. Six directors currently comprise the Executive Compensation Committee, two of whom are independent in the persons of Mr. Winston Garcia and Mr. Reynato S. Puno. Mr. Menardo R. Jimenez is chairman of the committee. The Executive Compensation Committee

Executive Committee	Date of Meeting
	Jan 4
Eduardo M. Cojuangco, Jr. (C)	●
Ramon S. Ang	●
Estelito P. Mendoza	●
Menardo R. Jimenez	-
Carmelo L. Santiago	●
Hector L. Hofileña	-

Audit Committee	Date of Meeting			
	Mar 28	May 11	Aug 13	Nov 14
Carmelo L. Santiago (C)	●	●	N/A	N/A
Estelito P. Mendoza	-	●	●	●
Winston F. Garcia	●	-	●	●
Ferdinand K. Constantino			●	●
Leo S. Alvez	●	●	●	●
Margarito B. Teves[1]	●	●	●	●

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advises the Board in the establishment of formal and transparent policies and practices on directors and executive remuneration and provides oversight over remuneration of senior management and other key personnel—ensuring consistency with the company's culture, strategy and control environment. In two meetings in 2012, the committee, among others, designated the amount of remuneration for directors and reviewed promotions of certain executive officers.

The Executive Compensation Committee has adopted its own charter, which shall provide guidance as to its specific roles and objectives and their corresponding implementation.

Audit Committee. The Audit Committee is currently composed of five members with two independent directors as members, Mr. Margarito B. Teves, who also sits as committee chairman, and Mr. Winston Garcia.

The Audit Committee reviews and monitors, among others, the integrity of all financial reports and ensures their compliance with both the internal financial management manual and pertinent accounting standards, including regulatory requirements. It also performs oversight financial management functions and risk management, approves audit plans, directly interfaces with internal and external auditors, and elevates to international standards the accounting and auditing processes, practices, and methodologies of the company.

The Audit Committee held four meetings in 2012 wherein the committee reviewed and approved, among others, the company's 2011 Consolidated Audited Financial Statements as reviewed by the external auditors, and the company's unaudited financial statements for the first to the third quarters of the year.

The Audit Committee has adopted an Audit Committee Charter in accordance with the prescribed audit committee charter of the Securities and Exchange Commission.

Board Committee Members

The members of each Board Committee and their attendance at the Board Committee meetings in 2012 are set out in the table below. The Chairmen of each of the Board Committees attended the 2012 AGSM.

Nomination and Hearing Committee	Date of Meeting
	Jan 20
Estelito P. Mendoza (C)	●
Ramon S. Ang	●
Carmelo L. Santiago[2]	●
Leo S. Alvez[2]	●
Roberto V. Ongpin	●
Alexander J. Poblador	●
Ferdinand K. Constantino[3]	N/A
Reynato S. Puno[3]	N/A

Executive Compensation Committee	Date of Meeting	
	June 14	Aug 13
Menardo R. Jimenez (C)	●	●
Estelito P. Mendoza	●	●
Carmelo L. Santiago	●	N/A
Winston F. Garcia	-	●
Ferdinand K. Constantino	●	●
Joselito D. Campos, Jr.	●	●
Eric O. Recto	●	●
Reynato S. Puno[4]	N/A	-

[1] Appointed as Chairman of the Audit Committee on June 14, 2012
[2] Member of the Nomination and Hearing Committee until June 14, 2012
[3] Appointed as member of the Nomination and Hearing Committee on June 14, 2012
[4] Appointed as member of the Executive Compensation Committee on June 14, 2012

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MANAGEMENT

Management is primarily responsible for the day-to-day operations and business of the company. The annual compensation of the Chairman/CEO and the top senior executives of the company are set out in the Definitive Information Statement distributed to shareholders.

EMPLOYEE RELATIONS

Employees are provided an Employee Handbook and Code of Ethics, which contains the policies, guidelines for the duties and responsibilities of an employee of San Miguel Corporation.

Through internal newsletters and company e-mails all facilitated by the Human Resources Department and the Corporate Affairs Office, employees are updated on material developments within the organization.

Career advancement and developments are also provided by the company through numerous training programs and seminars. The company has also initiated activities centered on the safety, health and welfare of its employees. Benefits and privileges accruing to all regular employees are similarly discussed in the Employee Handbook.

CODE OF ETHICS

The Company's Code of Ethics sets out the fundamental standards of conduct and values consistent with the principles of good governance and business practices that shall guide and define the actions and decisions of the directors, officers and employees of the company. The principles and standards prescribed in the Code of Ethics apply to all directors, senior managers and employees of the company.

Procedures are well established for the communication and investigation of concerns regarding the company's accounting, internal accounting controls, auditing, and financial reporting matters to the Audit Committee to uphold the Code of Ethics.

Whistle-blowing policy

The company has an established whistle blowing policy aimed at encouraging employees to speak out and call the attention of management to any suspected wrong doing which is contrary to the principles of the Code of Ethics and violations of the company's rules and regulations. The policy aims to protect the whistle blower from retribution or retaliation, and provides a disincentive to passively allowing the commission of wrongful conduct.

These policies are available on the company's website.

COMPLIANCE MONITORING

The Compliance Officer, Atty. Virgilio S. Jacinto is responsible for monitoring compliance by the company with the provisions and requirements of good corporate governance.

On April 14, 2010, the Board Directors amended its Manual of Corporate Governance in compliance with the Revised Code of Corporate Governance issued by the Securities and Exchange Commission under its Memorandum Circular No. 6, Series of 2009.

WEBSITE

Up-to-date information on the company's corporate structure, products and services, results of business operations, financial statements, career opportunities and other relevant information on the company may be found at its website **www.sanmiguel.com.ph**.

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The Board of Directors
San Miguel Corporation

REPORT OF THE AUDIT COMMITTEE
For the year ended December 31, 2012

The Audit Committee assists the Board of Directors in its corporate governance and oversight responsibilities in relation to financial reporting, risk management, internal controls and internal and external audit processes and methodologies. In fulfillment of these responsibilities, the Audit Committee performed the following in 2012:

- endorsed for approval by the stockholders, and the stockholders approved the appointment of Manabat Sanagustin & Co. CPAs as the company's independent external auditors for 2012.

- reviewed and approved the terms of engagement of the external auditors, including the audit, audit-related and any non-audit services provided by the external auditors to the company and the fees for such services, and ensured that the same did not impair the external auditors' independence and objectivity;

- reviewed and approved the scope of the audit and audit programs of the external auditor as well as the internal audit group of the company, and have discussed the results of their audit processes and their findings and assessment of the company's internal controls and financial reporting systems;

- reviewed, discussed and recommended for approval of the Board of Directors the company's annual and quarterly consolidated financial statements, and the reports required to be submitted to regulatory agencies in connection with such consolidated financial statements, to ensure that the information contained in such statements and reports presents a true and balanced assessment of the company's position and condition and comply with the regulatory requirements of the Securities and Exchange Commission; and

- reviewed the effectiveness and sufficiency of the company's financial and internal controls, risk management systems, and control and governance processes, and ensured that, where applicable, necessary measures are taken to address any concern or issue arising therefrom.

- approved and adopted the Audit Committee Charter on August 13, 2012, in compliance with the requirements of the Securities and Exchange Commission (SEC) under SEC Memorandum Circular No. 4, Series of 2012, and subsequently reported compliance to the SEC of the adoption of the said Charter and the conduct and results of the accomplishment by the members of the Audit Committee of the Audit Committee Self-Rating Form.

All the five members of the Audit Committee, two of whom are independent directors, are satisfied with the scope and appropriateness of the Committee's mandate and that the Committee substantially met its mandate in 2012.

Margarito B. Teves
Chairman - Independent Director

Estelito P. Mendoza
Member

Winston F. Garcia
Member – Independent Director

Leo S. Alvez
Member

Ferdinand K. Constantino
Member


SAN MIGUEL
CORPORATION



Corporate Social Responsibility

SAN MIGUEL CORPORATION 2012 ANNUAL REPORT

Ready to make a difference

We take our role as one of the Philippines' largest conglomerates very seriously. And while our primary obligation will always be to our shareowners, we strive to serve the needs of a larger group of stakeholders, mindful of the kind of impact we can make on the everyday lives of our countrymen.

For this reason, corporate social responsibility (CSR) has always been a driving force behind many of our strategies, manifested in how we strive to provide nutritious food and beverage products that are within reach of a majority of Filipinos; invest in technologies that will ensure a future where many have access to electricity and quality fuels, and build infrastructure that will vastly improve the everyday lives of many.

We have matched our boldness in business with a determination to pursue a social development agenda that puts emphasis on issues closely intertwined with our country's progress: housing, education, health and nutrition, environmental stewardship, enterprise development, community development and disaster management.

In 2012, through the combined efforts of our operating divisions and the San Miguel Foundation, we delivered on all of our commitments and breached the P1-billion mark in CSR spending—the largest in the country by far.

Housing

At the core of everything we do is the welfare of the Filipino family. For any family, a home is a primary need and a source of well-being. This is the reason why we have made housing a priority of our CSR agenda.

In 2012, we implemented our P550-million housing project for families who were displaced by typhoon Sendong in the provinces of Cagayan de Oro, Negros Oriental, and Iligan. Out of the total 5,000 houses we committed, we were able to turn over 2,075 units and towards the end of the year, started construction on 1,032 more units.

For its part, San Miguel Brewery Inc. (SMB) also committed to build 300 houses in Disiplina Village in Valenzuela City, an area alongside the Tullahan River which typically overflows during the rainy season. Thus far, 192 houses have been built and 96 more are under construction.

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Education

Education is also a cornerstone of our CSR mandate. For many of our marginalized countrymen, it is a transformative force. In our increasingly globalized world, the next generation of Filipinos need to have the best start to lead more productive lives and contribute to their families and society.

We continued to partner with private foundation AGAPP (Aklat, Gabay, Aruga Tungo sa Pag-angat at Pag-asa) to build "Silid Pangarap" classrooms-cum-libraries in public schools in poor barangays.

This project is unique as it involves not only the construction of physical classrooms but also upgrading the skills of teachers in early childhood education. Through a P50 million grant, SMC and its subsidiaries were able to sponsor the construction of 119 "Silid Pangarap" classrooms in 2012, on top of the 152 already donated in 2011.

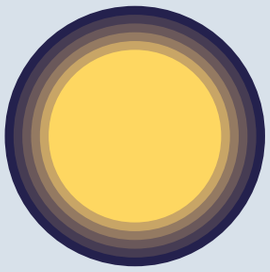
Petron Corporation, through Petron Foundation, also built four schools near its facilities in Zamboanga del Norte, General Santos City and Tagbilaran City.

We also continued to grant scholarship programs to deserving students, with many beneficiaries eventually gaining employment in our businesses. Last year, SMB, San Miguel Yamamura Packaging Corporation (SMYPC), SMC Global Power Holdings Corp. and SMITS, Inc. enrolled 63 scholars in different colleges and universities, while another 28 took courses accredited by the Technical Education and Skills Development Authority (TESDA), majority of which are supported by Ginebra San Miguel, Inc. Petron's "Tulong Aral" program, meanwhile, enabled around 3,880 scholars to enroll in elementary, college and technical-vocational programs.

Also worthy of note are Petron's "Whole School Reading Program," which promotes reading literacy and proficiency among elementary students in Mindanao, and the "Youth in Entrepreneurship and Leadership Development (YIELD) Program," wherein 100 third-year high school students were given the chance to undergo on-the-job training at Petron stations.



San Miguel Foundation 2012



75,880

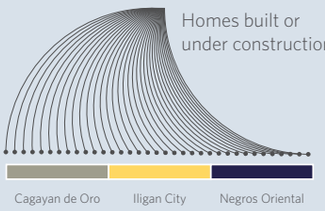
Families who have benefited from SMC disaster-relief operations in 2012

18,420

Patients given medical care through community clinics and medical missions

3,395

Homes built or under construction



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Health and nutrition
SMC, through its subsidiaries, worked at the barangay level to improve the delivery of healthcare services and ensure proper nutrition for children in our host communities.

Recognizing that children of poor families are highly vulnerable to malnutrition, we continued to strengthen "Malusog na Katawan, Matalas na Isipan," our supplemental feeding program for public school students, and San Miguel Pure Foods Company, Inc.'s (SMPFC) "Handog Lusog Para sa Nutrisyon ng Nasyon" program. Much of the success we've had over the years is due to the active participation of parents and teachers, who work hand-in-hand in planning the students' diet and preparing the meals.

We launched "Happy Tummies," a six-month supplemental feeding program with 500 beneficiaries in Calauan, Laguna, initiated by various SMC businesses, the SMC Pastoral Council, and our employees.

In the area of health care, SMB and SMPFC continued to provide free, quality health services through its community clinics in Malabon, Cebu, Pampanga, Davao del Sur and Bukidnon. A total of 5,810 patients suffering from various ailments such as diabetes, tuberculosis and other cardiovascular diseases, benefited from our clinics.

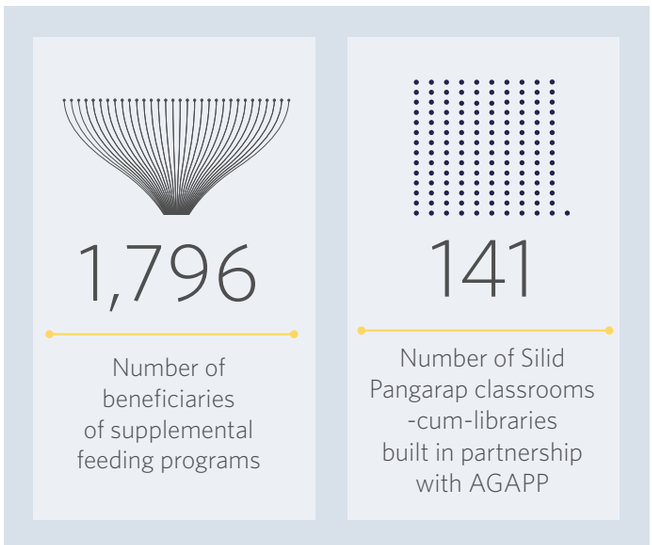
A total of 18,420 beneficiaries received medical care through community clinics and medical missions.

Environmental stewardship
As a company, we have always espoused the importance of sustainability and environmental protection, because much of our operations depend on the availability of natural resources.

Water, a major input across most of our businesses, is a primary area of concern. To help protect our water resources, SMB and SMYPC led coastal and creek clean-up programs such as "Linis Kalat, Linis Dagat," as well as watershed rehabilitation and reforestation projects in Cavite, Rizal, Cebu and Davao.

Meanwhile, Petron's "Adopt-an-Estero" and "National Greening Program," done in partnership with the Department of Environment and Natural Resources (DENR) and the City Government of Marikina, have been instrumental in the clean-up of Concepcion Creek and the tributaries of the Marikina River.

Petron also implemented the "Bataan Integrated Coastal Management Program," which involved, among others, the planting of mangroves. The company also initiated an oil spill contingency capacity-building training for stakeholders in Bataan with the help of the Philippine Coast Guard, the DENR and the Bataan Coastal Care Foundation.



Enterprise and community development
To empower families and communities to pursue worthwhile livelihood opportunities, we continued to promote entrepreneurship by helping beneficiaries pursue small but innovative business ventures.

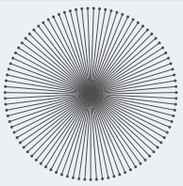
Among the livelihood programs we have implemented are: "Kawang-gawa," a livelihood training initiative; the "Mati Fishermen Livelihood Project," where we donated P150,000 worth of

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5

Ambulance units donated to the towns of Buruanga, Libertad, Sebaste, Kalibo



91

Scholarships bestowed to deserving students

fishing equipment to fisher folk in Mati, Davao Oriental, and the "Del Carmen Siargao Livelihood Project," an alternative livelihood program on crab farming and mangrove protection.

We also continued to strengthen our community development efforts through programs that helped barangay leaders realize their full potential. Through leadership and resource management training programs, community leaders were equipped and encouraged to improve their governance, and to help improve the quality of life in their community.

Disaster management

Due to the effects of climate change, our country, already prone to natural calamities, has in recent years experienced more severe and destructive typhoons. SMC is committed to provide quick response and action in times of calamity.

In the aftermaths of typhoons Gener and Pablo; the prolonged low-pressure disturbance known as Habagat, and the flashfloods in the Visayas region, our company and employee-volunteers sprung into action, setting up soup kitchens and distributing relief goods to the thousands that were affected. In total, almost a quarter of SMC's CSR spending for 2012 went to helping around 75,880 families affected by calamities.

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Board of Directors

SAN MIGUEL CORPORATION 2012 ANNUAL REPORT

Eduardo M. Cojuangco, Jr.
Chairman and CEO
Chairman, Executive Committee

Ramon S. Ang
Member, Executive Committee
Member, Nomination & Hearing Committee

Estelito P. Mendoza
Chairman, Nomination & Hearing Committee
Member, Executive Committee
Member, Audit Committee

Leo S. Alvez
Member, Audit Committee

Joselito D. Campos, Jr.
Member, Executive Compensation Committee

Ferdinand K. Constantino
Member, Executive Committee
Member, Audit Committee
Member, Executive Compensation Committee
Member, Nomination & Hearing Committee

Menardo R. Jimenez
Chairman, Executive Compensation Committee
Member, Executive Committee

Roberto V. Ongpin
Member, Executive Committee
Member, Nomination & Hearing Committee

Alexander J. Poblador
Member, Nomination & Hearing Committee

Eric O. Recto
Member, Executive Compensation Committee

Thomas A. Tan

Iñigo Zobel

Winston F. Garcia
Independent Director
Member, Audit Committee
Member, Executive Compensation Committee

Reynato S. Puno
Independent Director
Member, Executive Compensation Committee
Member, Nomination & Hearing Committee

Margarito B. Teves
Independent Director
Chairman, Audit Committee

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Key Executives

SAN MIGUEL CORPORATION 2012 ANNUAL REPORT

Eduardo M. Cojuangco, Jr.
Chairman & Chief Executive Officer

Ramon S. Ang
Vice Chairman & President & Chief Operating Officer

Ferdinand K. Constantino
Chief Finance Officer & Treasurer

Virgilio S. Jacinto
Corporate Secretary & General Counsel

CORPORATE STAFF UNITS

OFFICE OF THE PRESIDENT
Senior Vice President
Aurora T. Calderon

Vice President
Lorenzo G. Formoso, III
Robert L. Ednalino

CORPORATE AFFAIRS OFFICE
Vice President
Kin G. Lichauco

GROUP AUDIT
Vice President
Ramon R. Bantigue

CORPORATE MERGERS & ACQUISITIONS
Vice President
Cecile Caroline U. de Ocampo

CORPORATE FINANCE
Senior Vice President
Joseph N. Pineda

Vice President
Bella O. Navarra
Almira C. Dalusung

CORPORATE HUMAN RESOURCES
Head
Maria Cristina M. Menorca

CORPORATE INFORMATION & TECHNOLOGY MANAGEMENT
Vice President
Manuel M. Agustin

CORPORATE PROCUREMENT GROUP
Vice President
Nelson M. Makalintal

SAN MIGUEL BREWERY INC.

President
Roberto N. Huang

Executive Vice President
Teruyuki Daino

Executive Financial Advisor
Shobu Nishitani

Senior Vice President
M. L. Menlou B. Bibonia

Vice President
Mercy Marie L. Amador
Debbie D. Namalata

Corporate Secretary & General Counsel
Rosabel Socorro T. Balan

SAN MIGUEL BREWING INTERNATIONAL LTD.

Managing Director
Carlos Antonio M. Berba

Executive Vice President
Taro Matsunaga

Vice President
Jesus J. Bitanga, Jr.
Frederick Gerard S. Martelino
Hercila M. Reyes

SAN MIGUEL BREWERY HONG KONG, LTD
Managing Director
Ramon G. Torralba

GUANGZHOU SAN MIGUEL BREWERY CO.,LTD.
Commercial Manager
Vincent K. M. Kwok

SAN MIGUEL GUANGDONG BREWERY CO. LTD.
Plant Manager
William B. Montalbo

SAN MIGUEL BAODING BREWERY CO., LTD.
General Manager
Wilfredo R. Camaclang

SAN MIGUEL BREWERY VIETNAM LTD.
Officer-in-charge
Jesus A. Villalon

SAN MIGUEL BEER THAILAND LTD.
Plant Operations Manager
Manuel M. Moreno

SAN MIGUEL MARKETING THAILAND LTD.
Vice President & Commercial Director
Querubin G. de Guzman, Jr.

P.T. DELTA DJAKARTA, TBK
President Director
Raymundo Y. Albano

GINEBRA SAN MIGUEL INC.

President
Bernard D. Marquez

Vice President
Clemente O. Alburo
Nelson S. Elises
Lucia C. Unsay
Valentino G. Vega

SAN MIGUEL PURE FOODS COMPANY, INC.*

President
Francisco S. Alejo, III

Vice President
Eliezer O. Capacio
Alden M. Castañeda
Cesar B. Gimena
Ma. Soledad E. Olives
Zenaida M. Postrado
Jennifer T. Tan

Corporate Secretary & General Counsel
Alexandra B. Trillana

COMMODITY BUSINESSES:

AGRO-INDUSTRIAL CLUSTER
SAN MIGUEL FOODS, INC.
President & Cluster Head
Rita Imelda B. Palabyab

POULTRY BUSINESS
Vice President & General Manager
Leo A. Obviar

FEEDS BUSINESS
Vice President & General Manager
Norman C. Ramos

* As of March 2013

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MILLING CLUSTER
SAN MIGUEL MILLS, INC.
President and Cluster Head
Florentino C. Policarpio

BRANDED/VALUE-ADDED BUSINESSES:

PROCESSED MEATS CLUSTER
THE PURE FOODS HORMEL COMPANY, INC.
President & General Manager
Raul B. Nazareno

DAIRY, FATS & OILS CLUSTER
MAGNOLIA, INC.
Vice President & General Manager
Reginald I. Baylosis

COFFEE BUSINESS
SAN MIGUEL SUPER COFFEEMIX CO., INC.
Vice President & General Manager
Michael Allan N. Castro

INTEGRATED BRANDED LOGISTICS
DIVISION LOGISTICS GROUP
Vice President & General Manager
Enrique A. Punsalang

INTEGRATED BRANDED SALES
SAN MIGUEL INTEGRATED SALES
National Sales Manager
Cesar Emmanuel F. Ocampo

FOODSERVICE
GREAT FOOD SOLUTIONS
Vice President & General Manager
Helene Z. Pontejos

INTERNATIONAL CLUSTER
VP & International Cluster Manager
Oscar R. Sañez

P.T. SAN MIGUEL PUREFOODS INDONESIA
General Manager
Gil R. Buensuceso

SAN MIGUEL PURE FOODS (VN) CO., LTD.
General Manager
Enrico R. Zavalla

SAN MIGUEL YAMAMURA PACKAGING GROUP

President
Ferdinand A. Tumpalan

Executive Vice President
Motokazu Hiraiwa

Vice President
Renato Y. Cabrera, Jr.
Marivic R. Costales
Elizabeth V. Mercado

Corporate Secretary & General Counsel
Dante Miguel V. Cadiz

GLASS BUSINESS
Vice President and Business Manager
Emmanuel R. Alcantara

GLASS OPERATIONS
SAN MIGUEL YAMAMURA ASIA CORPORATION
Plant Manager
Jonathan C. Aquino

SMC YAMAMURA FUSO MOLDS CORPORATION
Plant Manager
Redentor I. Sioson

ZHAOQING SAN MIGUEL YAMAMURA GLASS CO., LTD. (China)
General Manager
Jesus G. Cortes, Jr.

SAN MIGUEL YAMAMURA HAIPHONG GLASS CO., LTD. (Vietnam)
General Director
Alan S. Olmilla

METAL & PLASTICS BUSINESS
Vice President and Business Manager
Gerard A. Martin

METAL CLOSURE OPERATIONS
SAN MIGUEL YAMAMURA PHU THO PACKAGING CO., LTD. (Vietnam)
General Manager
Gaspar S. Alberto

METAL CAN OPERATIONS
CAN ASIA, INC.
Plant Manager
Sesinando M. de la Cruz

PLASTIC OPERATIONS
FOSHAN SAN MIGUEL YAMAMURA PACKAGING CO. LTD. (China)
General Manager
Jesus G. Cortes, Jr.

PET BUSINESS
Vice President & Business Manager
Enrico C. Wong

FLEXIBLES & PAPER BUSINESS
Vice President & Business Manager
Armando S. Villarama

FLEXIBLES OPERATIONS
SAN MIGUEL YAMAMURA PACKAGING & PRINTING SDN. BHD. (Malaysia)
General Manager & conc. Malaysia Operations Group Manager
Jose Antonio J. Menchaca

SAN MIGUEL YAMAMURA PLASTIC FILMS SDN. BHD. (Malaysia)
General Manager
Tang Han Lock

SAN MIGUEL YAMAMURA WOVEN PRODUCTS SDN. BHD. (Malaysia)
General Manager
Tan Teck Soon

PACKAGING RESEARCH CENTRE SDN BHD (Malaysia)
General Manager
Dr. Patrick Loi Suok Tee

PAPER OPERATIONS
MINDANAO CORRUGATED & FIBREBOARD, INC.
Plant Manager
Rey B. Gudian

COSPAK GROUP
Chief Executive Officer
David Driver

PETRON CORPORATION

President
Lubin B. Nepomuceno

Senior Vice President
Emmanuel E. Eraña

Vice President
Ma. Rowena O. Cortez
Susan Y. Yu
Freddie P. Yumang
Albertito S. Sarte
Jaime O. Lu
Archie B. Gupalor
Efren P. Gabrillo
Jose Joel Angelo C. Cruz

Corporate Secretary & General Counsel
Jose Joel Angelo C. Cruz

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SMC GLOBAL POWER HOLDINGS CORPORATION

President
Dr. Alan T. Ortiz

Vice President & General Manager
Elenita D. Go

SAN MIGUEL PROPERTIES, INC.

Vice President & General Manager
Karlo Marco P. Estavillo

OTHER BUSINESSES

ANCHOR INSURANCE BROKERAGE CORPORATION
General Manager
Robelin Caesar T. Rojas

SMC RETIREMENT FUNDS OFFICE
General Manager
Amor C. Iliscupidez

SMC STOCK TRANSFER SERVICE CORPORATION
Vice President & General Manager
Enrique L. Yusingco

SMITS, INC.
Vice President & General Manager
Francisco E. Lecaroz, Jr.

SAN MIGUEL SHIPPING & LIGHTERAGE CORPORATION
President
Thomas Tan

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