



SAN MIGUEL CORPORATION

May 15, 2008

Philippine Stock Exchange
Disclosure Department
Listing and Disclosure Group
4th Floor, Philippine Stock Exchange Center
Exchange Road, Ortigas Center
Pasig City

Attention: **Atty. Pete M. Malabanan**
Head - Disclosure Department

Gentlemen:

Enclosed is a copy of our press statement entitled "SMC POSTS STRONG Q1 RESULTS," which we will release to the press today.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer



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NEWS RELEASE

SMC POSTS STRONG Q1 RESULTS

San Miguel Corporation reported a strong start this year with first quarter consolidated revenues of P39.2 billion, up 11% over last year, driven by good results across the majority of its businesses.

Consolidated operating income of P3.85 billion is up 40% and net income of P11.0 billion is over four times that of the same period last year. Income from continuing operations was at P5.52 billion, more than five times the amount in the first quarter of 2007 as better efficiencies and tighter cost management across all operating units complement revenue building efforts.

Excluding the one time gains on sale of investments, net income is P4.1 billion more than double 2007.

Carrying the momentum of 2007's strong performance, San Miguel Brewery Inc.'s net income surged 37% on year to P2.5 billion, driven by sales volume growth of 18% and successful cost-management efforts. Sales rose 13% on year to P12.3 billion.

The international beer operations posted 9% higher sales volumes in the first quarter with robust sales particularly in Indonesia, Thailand, Vietnam and beer exports. Combined with the improving performance of North China and Hongkong, net sales reached \$63.1 million, up 40% over last year.

Revenue of Ginebra San Miguel, Inc., the Philippines' No. 1 liquor company and producer of the largest selling gin in the world, grew 14% to P3.4 billion on account of 10% increase in volumes over the previous year. Demand was especially strong for Gran Matador and GSM Blue, while more aggressive distribution initiatives and promo activities helped push volumes for flagship brand Ginebra San Miguel. As a result, year-to-date net income of P130 million was sharply higher by 93% versus last year.

San Miguel Food Group's consolidated revenue rose 19% to P16.6 billion. Poultry, flour, feeds and value-added segments performed solidly with most businesses registering higher volumes and selling prices. Further contributing to revenue growth was higher volumes for the Food Group's Vietnamese feeds and live piggery operations.

San Miguel Packaging Group's first quarter performance improved significantly with revenue growing 8% to P4.96 billion, reflective of the recovery in demand for glass in the beer, healthcare and pharmaceutical industries. Operating income of P347 million was a record turnaround from last year's P25 million.

For 2008, San Miguel expects another year of positive growth driven by strong consumer demand for its brands and a more focused industry-specific growth strategy. The company is cognizant of the rising commodity price and fuel cost that will put pressure on the bottomline, requiring more vigilant management of efficiencies and cost.

For San Miguel's Full Year Audited 2007 results, the company reported a 10% rise in sales revenues to P155 billion with Profits from continuing operations of P8.21 billion ending slightly higher versus 2006.

Net income amounted to P8.63 billion, 16% lower than 2006, reflecting the CCBPI and National Food's transactions which now fall under "Discontinued Operations" and the lower performance of the liquor and packaging businesses.

SMC's 2006 net income also reflects the completion of Food Group's restructuring and majority acquisition of Monterey Foods Corporation by San Miguel Pure Foods Inc. as part of a clean up in preparation for a secondary offering of SMPFC early next year. This resulted to P1.3 billion adjustment in San Miguel's 2007 beginning-retained earnings. Certain Monterey asset accounts were adjusted to reflect their net realizable value. -30-

For inquiries, please contact:

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