



SAN MIGUEL CORPORATION

September 1, 2009

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

Attention: **Ms. Janet A. Encarnacion**
Head - Disclosure Department

Gentlemen:

Enclosed is a copy of our press statement which we will release to the press today.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer

San Miguel Corporation today announced that the Company posted an operating income of P8.7 billion for the first half of 2009, 6% higher versus same period last year. The majority of SMC's businesses showed sustained revenue growth despite a general slowdown in the economy, bringing consolidated net sales to P84.9 billion this period, a 7% improvement over last year.

Hard liquor continued to post a strong double-digit volume growth of 15% resulting to an operating income of P617 million from P426 million of last year. Strong distribution efforts catapulted Ginebra San Miguel, Inc. to No. 1 in the brandy category under its "Gran Matador" brand. GSMI's market share in the total liquor market rose five percentage points to 56% from 51% as of end-2008. Domestic beer revenues likewise grew by 4%, albeit at a slower pace than last year, while operating income increased by 6% as a result of focused efforts to contain costs. Meanwhile, the food and packaging groups posted slight improvement in volumes, as operating income improved by 8% and 44%, respectively, on account of lower cost of raw material imports and managed overhead costs.

The Company's net financing charges for the period is P232 million, versus last year's net financing income of P3.3 billion which included foreign exchange translation gains.

Consolidated net income of P55.6 billion ended substantially higher than last year's P19.7 billion.

Excluding the one-off items, recurring net income is P5.3 billion for the current period which is 3% lower than the same period last year. One-off items include gain from the sale of SMC's 43.25% stake in domestic beer of P50.7 billion which was used to prepay the Company's debt of \$923 million or P44 billion, and the gain from discontinued operations of J. Boag in 2008 of P5.7 billion,