



SAN MIGUEL CORPORATION

May 12, 2011

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

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

Gentlemen:

Enclosed is a copy of our press statement entitled "San Miguel reports robust 2011 start," which we will release to the press today.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer



SAN MIGUEL CORPORATION

CORPORATE AFFAIRS OFFICE

MEDIA AFFAIRS

TEL. : 632-3504/632-2318
632-3549/632-3162

FAX : 632-3531

REF :

San Miguel reports robust 2011 start

San Miguel Corporation today reported net income of P7.14 billion in the first quarter, up by 146% on strong revenues from its new and traditional businesses led by Petron Corp, SMC Global Power, San Miguel Brewery Inc., and San Miguel Pure Foods Company, Inc.

“We’re off to a very good start as we continue to reap the benefits of a well-executed growth strategy,” said Eduardo M. Cojuangco, Jr., Chairman and Chief Executive Officer.

Consolidated revenue significantly jumped by 183% to P126.6 billion from January to March while consolidated operating income increased by 199% in the same period last year to P17.3 billion.

Meanwhile, San Miguel’s current financial position remains strong with total assets reaching P854.7 billion from P829.8 billion at the close of 2010. Consolidated cash balance of the conglomerate now stands at P126.4 billion.

The company’s solid first quarter performance follows a record share and exchangeable bond sale which raised almost US \$1 billion. The proceeds are earmarked to fund its high-growth infrastructure investments and other general corporate requirements.

“We see a lot of upside to this vital sector and by investing further in existing and new infrastructure projects, we hope to be well-positioned to take advantage of the opportunities that this industry may present,” Cojuangco added.

Traditional Businesses

Revenues of San Miguel Brewery Inc. rose nine percent to P17.5 billion in the first quarter, resulting in higher consolidated operating income of P5.06 billion, driven by the success of its efforts to control fixed costs as well as the improved performance of its offshore beer business.

San Miguel Food Group reported consolidated revenues of P20.6 billion for the same period, up 10 % from 2010 level. Volume growth came from poultry, basic meats, flour, butter-margarine-cheese, milk, ice cream and coffee segments resulting in a 15 % increase in consolidated operating income to P1.56 billion. Margin improvement across major businesses brought about by product innovation, cost savings and higher production

efficiencies was cited as a key driver.

San Miguel Yamamura Packaging Corporation's revenue was up 2% to P5.68 billion for the first quarter due to higher sales from most of the business segments but higher cost of fuel, raw material costs and competitive pricing in the export markets pulled down consolidated operating income by 8% to P461 million.

Ginebra San Miguel Inc. posted relatively lower consolidated sales revenues of P4.55 billion for the first quarter as dealers booked advance orders in anticipation of the price adjustment which was implemented towards the end of 2010 along with higher election spending which resulted in unusually stronger sales during the same period last year.

New businesses

San Miguel's four power plants - Sual, Limay, San Roque and Ilijan - raked in higher consolidated revenues of P16.3 billion for the first three months of the year. Consolidated operating income was up 59% to P3.40 billion.

Petron Corp revenue rose 15% to P64.1 billion from January to March due a 60% increase in export volumes and higher margin petrochemical products that include propylene, polypropylene, benzene, mixed xylene and toluene. First quarter net income amounted to P3.4 billion.

"While we focus on investments that are not only vital to our nation's development but with the highest potential for growth and revenue generation, our traditional businesses continue to be leaders in their respective industries. We are very optimistic that 2011 will be another exciting and fruitful year for San Miguel," Cojuangco said.

For media inquiries, please call:
Mary Jane Llanes / Jayson B. Brizuela / Jon Hernandez
SMC Media Affairs Group
632-3162 / 632-3541 / 632-3504