SAN MIGUEL CORPORATION

March 28, 2012

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 "SMC posts strong 2011 results, new businesses lead growth," which we will release to the press today.

Very truly yours,

FERDINAND K. CONSTANTINO
Corporate Information Officer

News Release

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March 28, 2012

SMC posts strong 2011 results, new businesses lead growth

Diversified conglomerate San Miguel Corporation registered strong results for 2011 boosted by the full consolidation of its two new businesses along with growth from its beer and food subsidiaries.

Consolidated sales revenues reached P536 billion in 2011, 118% higher than its P246 billion revenue in 2010, following significant revenue growths from Petron and San Miguel Power. Contributions from its new businesses grew six-fold, accounting for 63% of total revenues for the year.

Operating income rose 62% to P56 billion.

Consolidated net income before non-controlling interest in 2011 amounted to P28.5 billion, 18% higher than 2010 while consolidated net income attributable to equity holders of the parent company reached 17.5 billion.

Taking out the effects of the one-time gain from acquisition of SMC Global Power and forex gains in 2010, SMC's recurring net income attributable to equity holders of the parent company increased 36% to P17.3 billion, compared to P12.7 billion in the previous year.

Consolidated recurring EBITDA, meanwhile, grew 47% to 77.2 billion.

POWER

SMC Global Power generated a total of 14.5 million megawatt hours (MWh) for the year, up 31% from the year before. Bilateral off take volumes were higher for the Sual and Ilijan power plants while San Roque was able to maximize its capacity due to increased water supply.

Despite lower WESM prices, revenues increased 8% to P71.4 billion while consolidated operating income reached P16.7 billion.

PETRON

Petron ended the year with a 20% increase in revenues which reached P274 billion. This translated to higher operating income at P14.8 billion, a 19% improvement. Net income reached P8.5 billion.

The company said it expects to generate savings once the first phase of the new power plant at the Bataan Refinery becomes on stream by early 2013.

BEER
San Miguel Brewery Inc. ended the year with consolidated sales volume of 223.8 million cases. Consolidated revenues were up 6% to P71.9 billion due to stable growth and improvements in its domestic and international operations. SMB's operating income reached P20.5 billion, up 10% from 2010 while net income stood at P12 billion.

FOOD
San Miguel Pure Foods Company Inc. posted revenues at an all-time high of P89.6 billion for 2011, up 11% from 2010 levels, driven by increased demand, aggressive distribution expansion, new products, and highest export sales. Operating income grew 4% to P6.1 billion while net income reached P4.1 billion.

PACKAGING
San Miguel Yamamura Packaging Group posted a 3% revenue growth to P24.1 billion, at the back of increased exports and growth in domestic and international revenues. Despite higher fuel and raw material costs, operational improvements helped generate an 8% growth in operating income, which reached P2.2 billion.

LIQUOR
Ginebra San Miguel Inc. meanwhile had a difficult year, brought about by aggressive competition, cost increases and customer shift to lower alcohol proof products. With the launch of its lighter-proof products and intense marketing efforts, the company said it foresees recovery this year.

INFRASTRUCTURE
Meanwhile, San Miguel infrastructure projects are well on track. Rehabilitation of the existing Boracay Airport terminal in Caticlan has been completed and technical plans are now being finalized for the extension of the runway.

The Tarlac-Pangasinan-La Union Expressway (TPLEX) is expected to bring in revenues by the fourth quarter of the year when the 16-kilometer Tarlac-Gerona stretch opens.

Recently, San Miguel acquired a 46.5% stake in Atlantic Aurum Inc., through a joint venture between wholly-owned subsidiary San Miguel Holdings Corp. and the Citra Group. Through the investment, SMC now holds interest in the Skyway and South Luzon Expressways which together, have an estimated annual EBITDA of about P7.0 Billion. ##

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