**SAN MIGUEL CORPORATION**

March 21, 2013

**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 Posts P38.6B Consolidated Net Income, Up 35% From Last Year" which we will release to the press today.

Very truly yours,

**FERDINAND K. CONSTANTINO**
Corporate Information Officer

# News Release

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SAN MIGUEL CORPORATION

March 21, 2013

## SAN MIGUEL POSTS P38.6B CONSOLIDATED NET INCOME, UP 35% FROM LAST YEAR

Diversified conglomerate San Miguel Corporation (SMC) continued to perform strongly in 2012, delivering double-digit growth on the back of higher revenues from its new businesses and solid contributions from its traditional businesses.

Consolidated sales revenues rose 30% to P699 billion, with each major operating unit contributing to its growth. Revenues from its new businesses grew 46% over year-ago levels, accounting for more than 70% of total 2012 revenues. San Miguel's core beverage, food, and packaging businesses, on the other hand, posted a year-on-year increase of 4%.

Consolidated operating income was at P52.8 billion, 6% lower than in the previous year due to volatility of crude prices and higher raw material costs in its food business.

Consolidated net income before minority interest grew 35% to P38.6 billion due to greater gains from the other investments and favorable foreign exchange rates.

"Our performance over the last 12 months points to the strategic value of our growing portfolio. It's the result of the discipline that we have brought to our day-to-day operations, and our success in making the most of synergies among our subsidiaries," said SMC president and chief operating officer Ramon S. Ang.

"Despite the many challenges of the previous year, our core businesses continued to show marked and sustained improvement, while our new businesses, as intended, have added scale, stability, and robust revenue streams."

### Beer and Liquor

San Miguel Brewery Inc.'s consolidated revenues rose 5% to P75.6 billion, helped by favorable selling prices and an increase in volume sales, which reached 225 million cases. This, along with improvements in the management of fixed costs, resulted in a 9% improvement in operating income, to P22.4 billion.

Revenues for its international operations rose 6%, with sustained volume growth in Indonesia, Thailand, Hong Kong and its export business.

Meanwhile, even as 2012 continued to be a challenging year for Ginebra San Miguel Inc., volumes for its flagship Ginebra San Miguel grew by 19%. Total domestic volumes for GSMI

reached 23.8 million. The company pared its operating losses down to P566 million from P891 million in 2011.

**Food**
San Miguel Pure Foods Company Inc. turned in another record year. Higher demand, the successful launch of new products, and the continued expansion of its distribution network, resulted in sales revenues of P95.8 billion, 7% higher than the previous year.

Operating income was at P5.25 billion, lower than in the previous year, due to cost challenges besetting the Agro-Industrial business cluster early in the year. However, the cluster was able to recover quickly, posting sustained quarter-on-quarter improvements in operating profitability.

With the eventual softening of raw material prices, healthy results from the value-added side of the business, and income from investments, SMPFC's net income attributable to the equity holders of the parent company, rose 3% to P4.23 billion.

**Packaging**
San Miguel Yamamura Packaging Corp.'s consolidated revenues reached P24.5 billion, a modest improvement from 2011 levels, as the company improved customer penetration in both its domestic and international markets. Operating income grew 6% to P2.3 billion, owing to improvements in efficiencies and cost structure.

**Fuels**
Petron Corp. reported P425 billion in revenues, up 55% from year-ago levels, driven by the consolidation of its Malaysian operations, which contributed P142 billion in revenues. Revenues from local operations also rose 3% due to increased volumes and favorable selling prices.

Consolidated income from operations amounted to P9.4 billion, a significant drop, due to volatility and significant price swings in both crude oil and petroleum product prices. Both Philippine and Malaysian operations posted losses in the second quarter when Dubai crude fell from a high of US$124 per barrel to US$89.

As a result, net income declined 73% to P2.3 billion. Net income from Petron Malaysia was at P232 million. Despite the challenging business environment, Petron was able to grow volumes, selling 74.3 million barrels in 2012.

**Power**
SMC Global Power posted revenues amounting to P74.7 billion, a 4% increase from year-ago levels as its Sual, Ilijan, and San Roque plants generated a total of 15,250 gigawatt hours, 6% higher than in 2011.

Capacity utilization was at 71% compared to 67% in 2011 due to higher bilateral requirements despite various forced outages. Consolidated off-take volume grew 7% to 15,961 GW hours. Consolidated operating income was at P17.1 billion.

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