SAN MIGUEL CORPORATION

May 10, 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 starts 2013 with double-digit revenue growth,"** which we will release to the press today.

Very truly yours,

FERDINAND K. CONSTANTINO
Corporate Information Officer

News Release

SMC CORPORATE AFFAIRS OFFICE
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May 10, 2013

San Miguel starts 2013 with double-digit revenue growth

Diversified conglomerate San Miguel Corporation posted double-digit revenue growth in the first quarter of 2013 despite external challenges that affected a number of its businesses.

Consolidated revenues for the first three months of the year amounted to P178.3 billion, 25% higher than in the previous year.

Consolidated operating income amounted to P15.4 billion, up 7% from the same period last year, driven mainly by SMC Global Power and the improved performance of other businesses, particularly the food business.

However, taking into account lower equity earnings, higher interest expense and the higher foreign exchange gains experienced in 2012, net income before controlling interest ended 34% lower at P7.59 billion. Net income attributable to the equity holders of the parent company was P4.2 billion.

External factors such as the revised excise tax law and volatility in crude prices also weighed down San Miguel Brewery, Ginebra San Miguel, and Petron Corp., respectively. Earnings from affiliates also declined due to higher maintenance costs and other operating expenses incurred by Philippine Airlines and PAL Express.

The company however added that signs of a recovery, particularly for San Miguel Brewery Inc. and Petron Corp., were already felt at the start of the second quarter. PAL and PAL Express, where the company has a significant minority, is also looking to trim its losses once its new routes are opened and its new aircraft are put into service.

Meanwhile, consolidated EBITDA improved 2% to P22 billion."While we have had mixed results on a per business basis owing to various challenges in the different industries, overall, the company is off to a good start," said SMC president and chief operating officer (COO) Ramon S. Ang.

"We will continue to work at executing well, managing our capital efficiently by deploying it in key opportunities consistent with our strategies in each business, and invest in areas that offer the most promise for profitable growth for the larger San Miguel Group."

Beer and Liquor

San Miguel Brewery Inc.'s first quarter consolidated revenues amounted to P17.5 billion, 4% lower from 2012 levels, with volume sales reaching almost 48 million cases. New excise tax rates affected volumes as operating income declined by 9% to P4.8 billion.

The increase in excise taxes also affected Ginebra San Miguel's performance as anticipation of higher prices in trade channels dampened revenues by 15% to P3.1 billion. However, the company reported a 2% increase in market share due to positive consumer response to marketing programs.

Food

San Miguel Pure Foods Company Inc. was off to a solid start as consolidated revenues for the first three months reached P23.0 billion, 3% higher than 2012 on the improved performance of its agro-industrial cluster and sustained performance of other businesses.

Consolidated operating income rose 43% to 916 million, while net income surged 25% to P699 million.

Packaging

San Miguel Yamamura Packaging Corporation meanwhile posted consolidated operating income of P520 million, up 2% from the same period in 2012.

Despite higher sales in metal, plastics, and PET, year-to-date sales revenue declined 6% to P5.5 billion on lower orders for its glass and paper products.

Power

SMC Global Power posted consolidated revenues of P17.5 billion, lower than 2012 due to lower average selling prices for bilateral contracts and at the Wholesale Electricity Spot Market.

Higher WESM volumes from Sual and Ilijan however boosted consolidated off-take volume for the first quarter of 2013 to 4,091 gigawatt hours, 1% higher than last year.Operating income reached P5.54 billion, 12% higher than year-ago levels.

Fuel and Oil

Petron Corporation's first quarter revenues rose 50% to P112 billion from P74.7 billion in 2012, boosted by the consolidation of Petron Malaysia.
Total sales volumes from domestic and Malaysian operations rose to 20 million barrels, up 66% from 12 million barrels in the previous year.

However, price movements in both crude and finished products during this period resulted in operating income of P3.68 billion, 17% lower than in 2012. Dubai crude averaged $116.45/barrel in the first three months of 2012 compared to $108.19/barrel over the same period in 2013.

As a result, consolidated net income before minority interest ended at P2.2 billion, lower than the P2.4 billion reported in the first quarter of 2012.

Other Businesses

The company also said that it has already received the Department of Transportation and Communication (DOTC)'s notice of award for its newest project, the Ninoy Aquino International Airport Expressway.

Other infrastructure projects, such as the Boracay Airport expansion and the Tarlac-Pangasinan-La Union Expressway, are also in advanced stages of development.

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