



SAN MIGUEL CORPORATION

June 11, 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 eyes growth in new businesses as projects near completion,”** 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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San Miguel eyes growth in new businesses as projects near completion

San Miguel Corporation (SMC) is eyeing more growth in its new businesses as the company is set to deliver major projects under its diversification strategy starting this year.

At the company's annual shareholders' meeting, SMC chairman and chief executive officer Eduardo S. Cojuangco said the company expects to realize increased revenues in the years to come as projects such as the Tarlac-Pangasinan-La Union Expressway, the Petron Bataan Refinery upgrade, the expanded Boracay Airport, and greenfield power plants in Davao and Bataan, see completion.

The first phase of the TPLEX, from Gerona, Tarlac to Carmen, Pangasinan, is set to start operations by the end of 2013. Meanwhile, the upgraded Petron Bataan Refinery, is set for completion and commissioning towards the latter part of 2014.

"Over the next five to six-year period, we will see the completion of many of our major projects and begin realizing the revenues derived from these," he added.

These projects include the NAIA Expressway, Skyway Stage 3, and MRT-7.

For 2012, San Miguel reported sales revenues of P699 billion, up 30% from the previous year. Of this, 70% was derived from new businesses.

Consolidated net income attributable to equity holders of the parent company reached P27.6 billion, 57% higher than the previous year.

Cojuangco noted that growth in the new businesses had been "tremendous", with a 46% improvement in revenues over 2011 levels. By contrast, growth in SMC's core businesses was at 4% year-on-year.

"We are very pleased with how the integration of our new and core businesses has bolstered our position as one of the country's best performing corporates," he said.



He added that the market-leading position of its traditional businesses has provided the platform on which the company is now growing its portfolio.

"The excellent operating results from our beer, food, and packaging businesses, have allowed us to now direct our capital and our attention toward growing businesses where we have a competitive edge and major opportunities in the future," he said.

He pointed out that for 2012, San Miguel Brewery Inc. achieved record unit volume and revenue increases, further consolidating its leading position.

San Miguel Pure Foods Company, Inc., on the other hand, also registered record revenues for the year and made great progress in differentiating its agro-industrial and value-added clusters to create better-synergized business units.

Cojuangco added that the company's 2012 performance builds on the strong results it has been delivering in recent years.

Since 2008, SMC's revenues have grown at a 43% compounded annual rate, while operating income has steadily increased by 37% over the same period.

"All told, it's been a year of important strategic achievement that will strengthen our growth prospects for years to come. And we are intensifying execution across all our businesses to produce even more wins across the Group," he said. ###

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