



SAN MIGUEL CORPORATION

November 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 "**SMC reports strong performance for first nine months,**" 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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SMC reports strong performance for first nine months

San Miguel Corporation (SMC) reported strong results for the first nine months of the year on the back of improved third quarter performances by its fuels, beer, and liquor businesses and sustained growth in its food and power units.

Consolidated revenues reached P543 billion, up 7% over the same period last year, on the full consolidation of Petron Malaysia and increased revenues from the food unit. Group EBITDA amounted to P62.4 billion 15% higher than last year.

With improved margins from Petron's domestic operations and San Miguel Brewery's international operations, the further trimming of Ginebra San Miguel's operating losses, and sustained performances from San Miguel Pure Foods and SMC Global Power, the company grew its operating income by 25% to P46 billion.

Still, the continued strengthening of the US dollar against the peso in September brought unrealized foreign exchange losses of P12.3 billion, a sharp contrast from forex gains in 2012.

Excluding the effects of forex and one-off items, SMC's Recurring Net Income rose 15% to P11.1 billion.

"We have seen the peso start to appreciate against the US dollar beginning October, so we see a reversal of some of the foreign exchange losses. Furthermore, the sale of the Meralco shares, expected to be completed before year-end, will yield additional income," SMC chairman and chief executive officer Eduardo M. Cojuangco Jr., said.

BEER

San Miguel Brewery Inc.'s nine-month consolidated sales revenues reached P53.6 billion, at par with last year. A price increase due to higher excise taxes on major domestic brands implemented last February affected volumes.

Operating income amounted to P15.4 billion, boosted by improved margins from international operations and cost control initiatives.



LIQUOR

Ginebra San Miguel Inc. posted sales revenues of P9.9 billion for the first nine months.

GSMI showed significant improvement in the third quarter as sales volumes increased by 27% from the previous quarters. Volumes for flagship Ginebra San Miguel rose 53% from the second quarter to 4.8 million cases in the third quarter. This resulted to P3.9 billion in revenues, an improvement from the second quarter's P3.1 billion. Operating losses were trimmed to P57 million in the third quarter, from higher losses during the first semester.

FOOD

San Miguel Pure Foods Company Inc., brought in P71.4 billion in revenues, up 3% over the same period last year, on the back of improved performance from its branded value-added businesses. Operating income grew 14% to P3.7 billion on account of better margins.

The company said it is set to inaugurate this week its Golden Bay Grain Terminal in Mabini, Batangas, which is expected to provide significant cost savings.

PACKAGING

San Miguel Yamamura Packaging Group registered P17.7 billion in revenues, 1% lower than last year, as it continued to experience lower demand for glass and metals. This, however, was partly offset by double-digit revenue growths in PET and plastics.

Cost reduction programs resulted in consolidated operating income of P1.8 billion, up 9% from the same period last year.

POWER

SMC Global Power's operating income grew by 14% to P15.8 billion as a result of lower generation costs for its Ilijan and Sual power plants.

Consolidated total off-take volume reached 12,533 Gwh, up 3% from last year, mainly on Sual and Ilijan's higher WESM volumes and better generation volume for Sual, which experienced fewer forced outages.

Lower average sales price for bilateral customers, coupled with the drop in WESM prices, continued to reflect lower sales revenues at P55.1 billion.

PETRON

Petron Corporation grew its consolidated revenues for the first nine months by 9% to P336 billion, driven by better margins and the full consolidation of Petron Malaysia.

Operating income reached P8.9 billion, up 47% from the same period last year. Net income grew more than eight-fold to P4.4 billion, on the back of increase in sales volumes and better refining margins.