



SAN MIGUEL CORPORATION

November 10, 2014

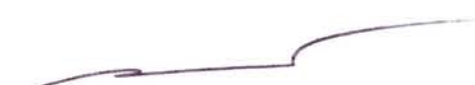
The Philippine Stock Exchange, Inc.
Disclosure Department
3rd Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: **Ms. Janet A. Encarnacion**
Head- Disclosure Department

Gentlemen:

Enclosed is a copy of our press statement entitled "SMC revenues and earnings surge 10% and 31% from Jan-Sept," 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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November 10, 2014

SMC revenues and earnings surge 10% and 31% from Jan-Sept

San Miguel Corporation (SMC) reported strong revenues and earnings for the first nine months of the year on the back of a 12% growth in its new businesses, coupled with a healthy 5% growth in its core beer and food businesses.

Consolidated revenues from January to September were up 10% to P599 billion. Net income rose by 31% to P23.2 billion.

Meanwhile, operating income jumped by 2% to P46.7 billion on improvements in the new businesses as well as San Miguel Pure Foods and Ginebra San Miguel Inc, which helped offset a weaker third quarter for Petron, which had to weather volatility in crude oil prices.

Consolidated recurring EBITDA improved 8% to P67.2 billion.

"We were able to build on the gains we made in the first semester. While adverse oil and fuel prices had an impact on Petron, we were able to ride out much of the volatility. This goes to show that our current portfolio of businesses is largely resilient to external stresses that could otherwise greatly impact our financial result," said SMC president and COO Ramon S. Ang

Traditional businesses

San Miguel Brewery Inc.'s consolidated sales volume reached 153 million cases, up 3% from the same period last year.

Consolidated revenues grew 5% to P56.3 billion, while operating income reached P15.3 billion. Beer International's operations in Hong Kong, South China, also continued to perform strongly, as did its export business.

Ginebra San Miguel Inc. posted year-to-date sales volumes of 15 million cases, a 2% improvement from last year on strong volumes for flagship Ginebra San Miguel.



As a result, revenues improved 7% to P10.6 billion. Operating income was at P124 million, a turnaround of nearly a billion pesos from losses last year.

San Miguel Pure Foods Company Inc. meanwhile reported consolidated revenues amounting to P74.4 billion, up 4%, as its agro-industrial, flour-milling, and dairy businesses delivered strong results.

Operating income grew 18% to P4.3 billion, despite the adverse effects of typhoon Glenda and the Manila port congestion.

San Miguel Yamamura Packaging Corp. reported flat revenues at P17.3 billion, even as higher volume sales from paper and PET products and its Malaysia operations offset a slowdown in demand for glass. Operating income, on the other hand, improved 6% to P1.6 billion, on improved efficiencies and lower fixed costs.

New Businesses

Petron's consolidated revenues reached about P380 billion, a 13% improvement, as combined volume sales reached 64.7 million barrels, a 7% increase. This was driven mainly by an 11% growth in total sales volumes for the Philippine market, which was at 38.3 million barrels. Malaysian operations contributed 26.3 million barrels, a 2% improvement.

Operating income declined 27% to P6.9 billion as a sharp drop in the benchmark Dubai crude oil in the third quarter resulted in high-priced inventories being sold at much lower prices. Active hedging strategies helped mitigate inventory losses.

SMC Global Power reported higher consolidated off-take volume and improved revenues, on the back of increased bilateral volumes and higher average bilateral and WESM prices. Operating income was also up, as revenues improved.

The conglomerate also reported that its ongoing infrastructure projects, namely the Tarlac-Pangasinan-La Union Expressway (TPLEX), the NAIA Expressway, Skyway Stage 3, the Star Tollway upgrade, and Boracay Airport project, are all on track and progressing as scheduled.

For media inquiries, please call:
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