



SAN MIGUEL CORPORATION

August 10, 2016

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

Attention: **Mr. Jose Valeriano B. Zuño III**
OIC-Head, Disclosure Department

Gentlemen:

Enclosed is a copy of our press statement entitled "SMC posts robust first half results," 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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August 10, 2016

SMC posts robust first half results

San Miguel Corporation (SMC) registered a solid performance in the first six months of the year, on the back of sustained growth of its core businesses, better refining margins for Petron, and higher returns from its power and infrastructure subsidiaries.

Operating income for the period rose 19% to P48.8 billion from last year while net income from continuing operations grew 33% to P23.5 billion from P17.6 billion in 2015.

The sale of its telco business resulted in a one-time gain of P11.8 billion, representing mainly recovery of costs/losses, interest expenses and provisions incurred in previous years.

Reported net income amounted to P35.3 billion while consolidated EBITDA reached P63.4 billion, 21% higher than 2015.

Traditional Core businesses:

San Miguel Brewery Inc. performed strongly during the period with consolidated revenues increasing by 19% to P47.4 billion and operating income gaining 16% to P12.6 billion. Net income ended at P8.3 billion, 20% higher than last year.

Ginebra San Miguel Inc.'s domestic volumes reached 11.4 million cases, 12% higher than last year. Revenues amounted to P8.4 billion, 13% higher than 2015. Operating income was up 68% to P413.6 million while net income rose to P138 million from P5.4 million.

San Miguel Pure Foods sustained its momentum throughout the first half as it reported consolidated revenues of P53.2 billion, 5% higher than last year. The strong performance of its Feeds, Poultry and Branded Value-Added businesses resulted in a 31% increase in operating income to P3.60 billion. Net income grew 37% to P2.5 billion.



Meanwhile, San Miguel Packaging Group's revenues rose 12% to P13.5 billion, driven mainly by its glass business and Australian operations, which posted double-digit growth. Operating income amounted to P1.33 billion, up 21%.

Power

SMC Global Power's consolidated off-take volume reached 9,264 Gwh for the first half, 14% higher than 2015. As a result, consolidated revenues rose 2% to P41.1 billion. With lower generation costs and an improvement in generation volume, operating income increased 15% to P15.7 billion.

Fuels and Oils

Petron Corporation sustained its strong performance posting a consolidated net income of P5.3 billion in the first half of 2016, a 55% increase from the previous year. The company attributed the growth to a surge in sales volumes, aggressive network expansion, improved production and cost efficiencies, and focused customer-centric campaigns. Operating income hit P11.5 billion, up 29% from last year's P8.9 billion. Consolidated revenues amounted to P161.9 billion.

Infrastructure

San Miguel Holdings Corp. generated consolidated revenues of P9.78 billion, 14% higher than last year. Continuous growth in traffic volume boosted revenues of its toll roads. Operating income rose 9% to P5 billion.

Meanwhile, construction of major infrastructure projects—the NAIA Expressway, Boracay Airport, Skyway Stage 3, TPLEX, SLEX-TR4, MRT-7, and the Bulacan Bulk Water Project—remain on track.

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