



SAN MIGUEL CORPORATION

March 17, 2016

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 2015 operating income reaches P78.7 billion," 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 2015 operating income reaches P78.7 billion

San Miguel Corporation (SMC) reported better-than-expected 2015 results, despite a challenging year characterized by uncertainties in the global economic environment.

SMC reported a 41% surge in operating income to P78.7 billion, driven mainly by the robust performance of its food, beverage, and packaging units along with higher margins from Petron Corp. — the result of stabilizing crude oil price environment, although at a lower level during the last half of 2015.

However, consolidated sales revenues declined by 13% to P674 billion due to the steep drop in crude oil prices from \$111 per barrel in 2014 to \$31 per barrel towards the end of 2015, coupled with the scheduled major maintenance shutdown of the Malampaya gas facilities and the downtime resulting from the scheduled major maintenance of the Ilijan and Sual power plants.

Consolidated net income, before foreign exchange translation, reached P38.2 billion, up 26% from 2014. EBITDA was up 23% at P108.6 billion.

San Miguel Brewery Inc.

San Miguel Brewery Inc. posted consolidated revenues of P82.4 billion, 4% higher than in 2014, as domestic operations registered volume and revenue growth of 3% and 9%, respectively. Consolidated operating income amounted to P22.6 billion, up 2.5%, while net income reached P13.5 billion. EBITDA amounted to P25.7 billion.

Ginebra San Miguel Inc.

Ginebra San Miguel Inc. sustained a robust 2015 performance. Volumes improved 4% to 23 million cases, with volumes for flagship Ginebra San Miguel up by 5%. Consolidated revenues grew 7% to P16.6 billion while operating income surged 73% to P621 million. EBITDA amounted to P1.3 billion.



San Miguel Pure Foods Company Inc.

San Miguel Purefoods Company Inc. posted another year of solid growth, with revenues rising 4% to P107 billion. Operating income also rose 18% to P7.6 billion, on the strong performance of its Branded and Feeds businesses. With lower interest expenses, net income jumped 24% to P4.8 billion. EBITDA amounted to P10.3 billion.

San Miguel Yamamura Packaging Corp.

San Miguel Yamamura Packaging Corp. grew its revenues 3% to P25.0 billion. Consolidated operating income grew 2% to P2.3 billion as a result of improved efficiencies and cost management. EBITDA amounted to P4.1 billion.

SMC Global Power Corp.

Power subsidiary SMC Global Power 's consolidated offtake volume declined 3% from the previous year to 16,558 GWH as the scheduled major maintenance of the Malampaya gas facility affected the output of the Ilijan facility. The major maintenance on the Ilijan and Sual Power Plants also contributed to the decline. Consolidated revenues reached P77.5 billion while operating income amounted to P23.7 billion. EBITDA amounted to P31.4 billion.

Petron Corp.

Petron Corporation posted a net income of P6.3 billion, more than double the previous year's earnings, mainly driven by the surge in sales volumes, better refining margins and effective risk management. All business segments in Petron's Philippine and Malaysian operations contributed to volume growth. Revenues however declined 25% to P360 million due to a nearly 50% drop in oil prices. Despite weak oil prices in 2015, the differential between crude and finished products remained strong and the mix of higher value products improved. Consequently, operating income grew 138% to P18.1 billion. EBITDA amounted to P22.3 billion

San Miguel Holdings Corp.

SMC's infrastructure unit delivered a 19% increase in revenues to P15.2 billion and a 15% rise in operating income to P8.5 billion, on a full year 2015 results. Following the consolidation of SLEX and Skyway 1 and 2 in early 2015, the business contributed P13.3 billion in revenues and P7.3 billion in operating income to the SMC consolidated results. EBITDA amounted to P10.3 billion.

The Company added that the Boracay Airport runway extension is now complete and a major portion of the NAIA Expressway will be completed by 2nd quarter this year. Ongoing projects - Skyway Stage 3 and TPLEX's phase 3 are proceeding as planned. It added that it was currently preparing to start work on the SLEX TR-4 project. Its MRT-7 project, on the other hand, has ready financing to fund construction, which could take about three to three-and-a-half years to complete, the company said.