



July 21, 2009

Philippine Stock Exchange
Disclosure Department
Listing and Disclosure Group
4th Floor, Philippine Stock Exchange Center
Exchange Road, Ortigas Center
Pasig City

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

Gentlemen:

Enclosed is a copy of our press statement entitled "**SMPFEC sustains first semester revenue growth ,**" which we will release to the press today.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer



PRESS RELEASE

SMPFC sustains first semester revenue growth

San Miguel Pure Foods Company Inc.'s (SMPFC) first semester 2009 sales revenue rose 12% year-on-year to P36.4 billion, helped by price increases in most businesses to partially cover higher raw material costs. The food unit of San Miguel Corporation reported a first semester net income of P541 million, up 26% from the same period last year, while Earnings before Interest, Taxes, Depreciation, and Amortization (EBITDA) rose 15% to P2.1 billion.

“We are already implementing actions that should generate stronger profits for our food business, particularly in the second half. We’re going to continue to manage higher input costs through pricing actions and operating excellence and we have made progress in several important areas of our company, particularly product innovation, more effective marketing, and distribution and manufacturing efficiencies,” said SMPFC vice chairman Ramon S. Ang.

Profit was boosted mainly by SMPFC’s feeds and poultry businesses due to better selling prices and cost reduction initiatives, while operating profits of dairy unit Magnolia also posted a turnaround in the first six months of 2009.

Although the feeds, poultry, and dairy businesses posted strong results in the first semester, the Food Group’s basic meats segment was weighed down by higher input costs. Meanwhile, a sharp drop in prices affected the flour business’ performance while

the Group's value-added meats business suffered from weak demand for its mid- and low-priced products.

Various expansion programs are expected to sustain SMPFC's growth in the poultry, feeds, basic meats, ice cream, and value-added meats businesses as announced by Ang last February. – 30 -

For media inquiries, please call:

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