

TARGETING GROWTH

with contributions from Abi Souza-Mungcal, Lionel Lopez-Dee, RB De Guzman, Paola Lepatan, Michelle Nepomuceno and Bunny Vargas-Unlayao

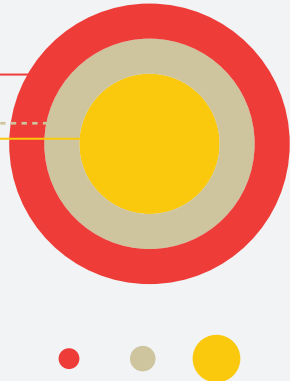
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Over the past year, San Miguel's performance, particularly in its new industries, has been nothing short of phenomenal. Strategic investments in power, infrastructure, telecommunications and mining have helped the company reach an all-time high not only in terms of generating positive shareholder returns through record stock prices, but also in improving its competitiveness and profitability. Below, some of the breakthroughs of 2010:



JANUARY

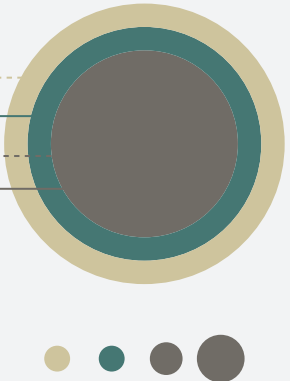
- 4 SMC president and chief operating officer Ramon S. Ang is named to Wall Street Journal's elite Asia power list
- 6 SMC acquires a 49% stake in Top Frontier
- 29 San Miguel Brewery Inc. acquires 100% of SMC's overseas beer business



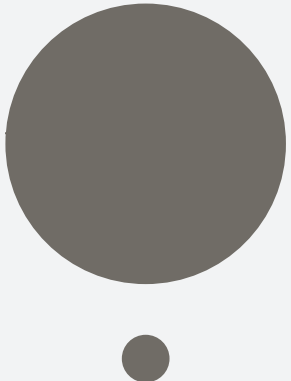
Petron completes the first phase of its retail network expansion program. Two hundred service stations across the country were opened, bringing Petron's total service station count to 1,650 — the largest retail network in the Philippines

MARCH

- 3 SMC discloses plans to acquire a majority stake in Ausphil Tollways Corp.—the consortium behind the North Luzon East Expressway (NLEE)
- 5 Top Frontier conducts a tender offer for SMC shares at P75 per share
- 8 Through San Miguel Energy Corp. (SMEC), SMC acquires 100% of the outstanding capital stock of Daguma Agro Minerals, Inc. The potential coal reserves of the Daguma concession area is said to have the capacity to fuel a 2,000MW coal power plant
- 10 Petron successfully lists 100 million perpetual preferred shares in the Philippine Stock Exchange. The P10 billion Petron shares issue is the single largest perpetual preferred shares listing in the PSE
- 17 SMC bags contract to manage the 1200-megawatt Ilijan natural gas-fired power plant in Batangas



APRIL

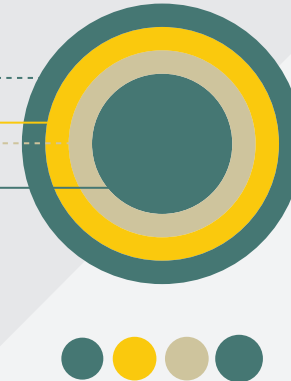


SMC acquires Caticlan International Airport Development Corp. (CIADC) through a share sale purchase agreement

- 5 SMC conducts a tender offer for over 4.6 billion Petron shares at P6.85 per common share.
- 24 Magnolia Ice Cream inaugurates its very own plant in Sta. Rosa, Laguna with a rated capacity of five million gallons of ice cream per year
- 26 San Miguel confirms acquisition, through SMEC, of 100% of Bonanza Energy Resources, Inc. and Sultan Energy Phils Corp.—companies which hold coal mining rights in Mindanao
- 31 At its annual stockholders meeting, shareholders grant SMC approval for the declassification of its Class A and Class B shares and the authority to sell the corporation's stake in its major subsidiaries such as beer, packaging and food



MAY



Petron is cited as one of Best Governed Publicly-Listed Companies by the Institute of Corporate Directors (ICD) for the 5th straight year

JULY

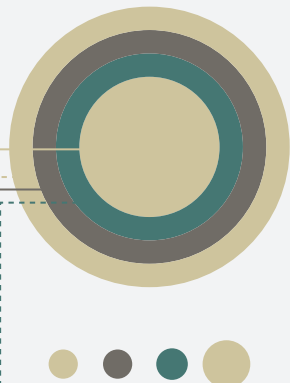


- 12 In a move seeking to further integrate its petrochemicals business, Petron acquires a 40% stake in Petrochemical Asia (HK) Ltd. (PAHL), owner of Philippines Polypropylene Inc. (PPI), which in turn owns a polypropylene (PP) plant in Mariveles, Bataan
- 29 San Miguel Properties introduces new projects and endorses at the Philippine Real Estate Fair as part of its rebranding efforts. Its slogan: "People, People, People"



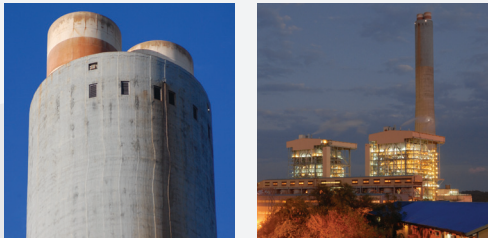
AUGUST

- 17 SMC acquires controlling stake in Bell Telecommunication Philippines Inc. (Belltel) in an effort to shore up its entry into the highly competitive voice, data, and video business. San Miguel today owns 100% of Belltel
- 20 Petron introduces Petron Turbo Diesel and Pinoy Diesel—two pioneering fuels targeting the high-end diesel and Public Utility Vehicle-gasoline markets, respectively
- 26 SMC implements the declassification of SMCA and SMCB shares into SMC common shares (SMC).
- 31 SMC purchases over 1.5 billion common shares of stock of Petron from Sea Refinery Holdings; effectively increasing SMC's ownership in Petron to 38.19%

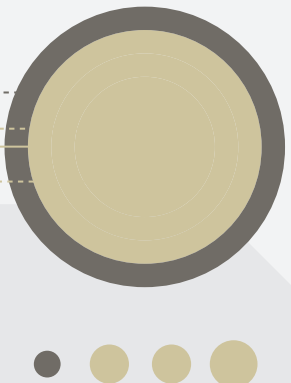


SEPTEMBER

San Miguel acquires 100% of Global 5000 (which has been renamed to SMC Global Power Holdings Corp.). SMC Global Power is the holding company of SMC's four power plants



OCTOBER



- SMC Infrastructure-subsidary Rapid Thoroughfares Inc. begins Phase 1 construction of the Tarlac-Pangasinan-La Union Expressway (TPLEX)
- 15 Through subsidiary TransAire Development Holdings Corp. (previously CIADC), SMC takes over operations of Boracay airport in Caticlan
- 15 SMC completes acquisition of 10.1% initial stake in Indophil—an Australian mining firm that owns a 25% stake in Sagittarius Mines Inc., which owns the rights to the Tampakan gold and copper mine in Davao
- 28 Through wholly-owned subsidiary San Miguel Holdings Corp. (SMHC), SMC acquires 51% stake in Universal LRT Corporation (ULC) that will pursue the construction of the Metro Rail Transit Phase 7 project

NOVEMBER



- 8 SMC lists over 870 million preferred shares worth P65.5 billion at the Philippine Stock Exchange. Offered at P75 per share with a dividend rate of 8% per annum, prices closed at a whopping 50% over the list price at P112.50.
- 15 SMC exercises the option to acquire 60% of the outstanding shares of Sea Refinery Corporation—a total of 24 million shares—making it the beneficial owner of approximately 68% of the outstanding and issued shares of stock of Petron.
- 30 SMC, through Vega Telecom, Inc., executes a Share Purchase Agreement with ISM Communications Corp. for the purchase by Vega of 100% of the outstanding and issued shares of stock of A. G. N. Philippines, Inc.—the latter the owner of approximately 40% of Eastern Telecommunications Philippines, Inc.

DECEMBER

