SAN MIGUEL BREWERY
HONG KONG LTD.
香港生力啤酒廠有限公司

PRESS RELEASE

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San Miguel Brewery Hong Kong Limited Announced Year 2011 Interim Results

San Miguel Brewery Hong Kong Ltd. and its subsidiaries' (the "Group's") Hong Kong operations significantly turned around its profitability, reversing its loss before taxation last year to a profit before taxation for the six months ended 30 June 2011. Riding on the momentum of the last quarter of 2010, San Miguel Brewery Hong Kong Ltd. (the "Company") sustained its expansion in the first semester of 2011. However, the positive results in our Hong Kong operation were not yet sufficient to offset the first semester losses in the Group's South China operations, which continued to face challenges. Nevertheless, Guangzhou San Miguel Brewery Company Limited ("GSMB") showed some improvement in its sales performance and profitability in the recent months.

Consolidated turnover grew by 5.9% to HK$305.2 million over the same period in 2010. As a result, consolidated loss attributable to equity shareholders for the first semester of 2011 improved to HK$24.6 million, from the HK$33.1 million posted last year.

The Hong Kong operations was able to achieve an 18.6% growth in sales volume over the same period in 2010. The growth of the export business and the domestic sales contributed to the volume improvement. With its wide portfolio of brands, the Company continued to be the No. 1 beer company in Hong Kong in terms of sales volume.

Last year, the Company launched a lower calorie San Mig Light in small bottles in high-end outlets to strengthen brand presence and boost the San Miguel image overall. This year, the focus was to continue building its growing presence in the market, as such San Mig Light grew by more than two-fold in the first semester of 2011 over the same period in 2010. The success of the small bottle paved the way for the launch of its new large bottles in June, which allows the company to further aggressively grow San Mig Light volumes in Chinese restaurants and Daipaidongs.

To promote its flagship brand, San Miguel Pale Pilsen, the company continued to build its brand's association with soccer through a newly developed "Super Fans" ad. On the music front, a new initiative called "Music Battle" was organized with TVB.com as the major media partner. The "Music Battle" captures live performances in bars and makes them available to viewers via the internet; and so far, this new marketing initiative has generated high interest levels among young consumers.

The Company is poised to further dominate the market after clinching a distributorship for two major

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brands, Budweiser and Harbin in Hong Kong beginning May. As the company further strengthens its brand portfolio, it hopes to win new consumers, as well as meet the evolving needs of the modern Hong Kong beer drinkers"

Meanwhile, market conditions in the Company's South China operations continue to be difficult. Aggressive trade offers from competitors, especially in the wholesaler channel, have not let up.

GSMB launched the new San Mig Light with an enhanced formula, new packaging design and new positioning in the market in April, and the new SML is showing encouraging trade acceptance particularly in the wholesaler channel and night outlets. Another area of success for GSMB is in the retail chains where it continues to enjoy double-digit growth. However, GSMB's total sales volume still registered a decline over the same period last year. The areas of improvements, together with more prudent spending, has significantly improved GSMB's operating loss versus the previous year, reducing losses by 22%.

San Miguel (Guangdong) Brewery Company Limited ("SMGB") recorded a double-digit volume decline during the first six months of 2011 compared to the same period last year. Intense competition in the wholesaler segment due to aggressive trade offers adversely affected SMGB. To improve brand image, SMGB launched the new Dragon Regular with a new formulation and new packaging design in April. This was supported with advertising and a market-wide promotion.

The Group maintains a positive outlook for the second half of the year with the turnaround of its Hong Kong operations despite the many challenges confronting the group in China. Various new product launches, as well as an expanded product portfolio should help profitability and volumes moving forward.

Cash and deposits at 30 June 2011 were HK$281.5 million, a decrease of HK$4.9 million from the ending balance of HK$286.4 million as of 31 December 2010. Total debt at 30 June 2011 was HK$313.3 million compared with HK$249.2 million as of 31 December 2010.

The Board has resolved that no dividends will be declared for the first six months of 2011.

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