

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)
Nov 7, 2017
2. SEC Identification Number
PW-277
3. BIR Tax Identification No.
000-060-741-000
4. Exact name of issuer as specified in its charter
SAN MIGUEL CORPORATION
5. Province, country or other jurisdiction of incorporation
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
40 San Miguel Avenue, Mandaluyong City, Metro Manila, Philippines
Postal Code
1550
8. Issuer's telephone number, including area code
(632) 632-3000
9. Former name or former address, if changed since last report
N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

| Title of Each Class | Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding |
|---------------------|---|
| SMC | 2,382,265,715 |
| SMCP1 | 279,406,667 |
| SMC2B | 90,428,200 |
| SMC2C | 255,559,400 |
| SMC2D | 89,333,400 |
| SMC2E | 134,000,100 |
| SMC2F | 223,333,500 |
| SMC2G | 66,666,600 |
| SMC2H | 164,000,000 |

11. Indicate the item numbers reported herein
Item 9

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.

San Miguel Corporation SMC

PSE Disclosure Form 4-2 - Acquisition/Disposition of Shares of Another Corporation *References: SRC Rule 17 (SEC Form 17-C) and Section 4.4 of the Revised Disclosure Rules*

Subject of the Disclosure

Consolidation of the Food and Beverage Business of the Company: Transfer to San Miguel Pure Foods Company, Inc. ("SMPFC") of the shareholdings of the Company in Ginebra San Miguel Inc. ("GSMI")

Background/Description of the Disclosure

The Company will convey and transfer to SMPFC its common shares in GSMI and San Miguel Brewery Inc. ("SMB") as consideration for the subscription by the Company to additional 4,242,549,130 common shares (the "New Shares") in SMPFC (the "Transaction").

Date of Approval by Board of Directors

Nov 3, 2017

Rationale for the transaction including the benefits which are expected to be accrued to the Issuer as a result of the transaction

The Transaction is expected to result in synergies in the food and beverage business units of the San Miguel Group, unlock greater shareholder value by providing a sizeable consumer vertical market under the Company, and provide investors direct access to the consumer business of the San Miguel Group through SMPFC.

Details of the acquisition or disposition

| | |
|-------------|-----|
| Date | TBA |
|-------------|-----|

Manner

Share swap

Description of the company to be acquired or sold

GSMI is one of the largest gin producers in the world by volume with some of the most recognizable brands in the Philippine liquor market.

The common shares of GSMI are listed and traded at the Philippine Stock Exchange under stock symbol GSMI.

The terms and conditions of the transaction

| | |
|---|-------------|
| Number of shares to be acquired or disposed | 216,972,000 |
| Percentage to the total outstanding shares of the company subject of the transaction | 75.78 |
| Price per share | 51.30 |

Nature and amount of consideration given or received

SMPFC will issue 4,242,549,130 common shares to the Company in exchange for the following:
(a) 7,859,319,270 common shares of SMB, and
(b) 216,972,000 common shares of GSMI (collectively, the “Exchange Shares”)

Principle followed in determining the amount of consideration

The Company engaged ING Bank N.V. as its valuation advisor for the Transaction. The methodology used in determining the valuation of the price per share of SMPFC, SMB and GSMI was discounted cash flow approach, supplemented and validated by reference to industry comparables for similar transactions involving equivalent market-leading peers.

Terms of payment

The Company will convey and transfer to SMPFC the Exchange Shares in exchange for SMPFC issuing New Shares to the Company.

Conditions precedent to closing of the transaction, if any

The closing of the Transaction is conditioned on the approval by the Securities and Exchange Commission of the application for the amendment of the Articles of Incorporation of SMPFC to:

- (a) expand the primary purpose of SMPFC;
- (b) reduce the par value of its common shares from Php10.00 to Php 1.00 per share;
- (c) deny pre-emptive rights to the issuance of additional common shares; and
- (d) increase the authorized capital stock.

The New Shares shall be issued out of the increase in the authorized capital stock of SMPFC.

Any other salient terms

N/A

Identity of the person(s) from whom the shares were acquired or to whom they were sold

| Name | Nature of any material relationship with the Issuer, their directors/ officers, or any of their affiliates |
|-------------------------------------|--|
| San Miguel Pure Foods Company, Inc. | Subsidiary |

Effect(s) on the business, financial condition and operations of the Issuer, if any

Upon completion of the Transaction, SMB and GSMI will remain under the San Miguel Group as subsidiaries of SMPFC. SMC will retain control of SMPFC, with an increased ownership interest of approximately 95.9%. SMC will maintain the status of SMPFC as a listed company.

Other Relevant Information

(a) On the percentage of the total outstanding shares of the company subject of the Transaction, kindly note that the above indicated percentage takes into account the total outstanding common shares of GSMI

(b) On the question "Identity of the persons from whom the shares were acquired, please note that the Company will subscribe to newly issued shares.

Mr. Eduardo M. Cojuangco, Jr. is the Chairman of the Board of Directors of the Company and GSMI.

Mr. Ramon S. Ang is a member of the Board of Directors of the Company (where he is President), SMPFC (where he is Vice Chairman), GSMI (where he is President) and SMB (where he is Chairman).

Mr. Ferdinand K. Constantino is a member of the Board of Directors of the Company and SMB.

Mr. Francisco S. Alejo III is a member of the Board of Directors of the SMPFC and GSMI.

Mr. Menardo R. Jimenez is a member of the Board of Directors of the Company and SMPFC.

Filed on behalf by:

| | |
|--------------------|---|
| Name | Mary Rose Tan |
| Designation | Associate General Counsel and Assistant Corporate Secretary |