



SAN MIGUEL CORPORATION

September 9, 2014

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:

We reply with respect to the news article entitled "Tan has 7days to buy back PAL" posted in philSTAR.com on September 9, 2014. The article reported in part that:

"MANILA, Philippines - Diversified conglomerate San Miguel Corp. (SMC) has given the group of taipan Lucio Tan one week to raise \$1 billion to buy its 49 percent stake in national flag carrier Philippine Airlines Inc. (PAL).

A source said the amount was contained in an agreement signed by representatives of both SMC and the Lucio Tan Group at the headquarters of BDO universal bank in Makati City yesterday afternoon.

The source said the agreement stipulates the willingness of SMC to sell its entire stake in PAL to the Tan group, subject to certain conditions.

One condition is for Tan's group to raise the \$1-billion price to buy back SMC's stake in PAL within a week.

....."

By way of response to the Exchange, we advise that save for the joint disclosure made by the Company with the Dr. Lucio C. Tan Group yesterday evening, September 8, 2014, a copy of which is attached hereto for reference purposes, the Company is not in a position to address and clarify the issues contained the aforementioned article, in the light of the reciprocal confidentiality obligations of the Company and the Dr. Lucio C. Tan Group.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer



SAN MIGUEL CORPORATION

September 8, 2014

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:

Conformably with the disclosure made by the Company to the Exchange this morning, September 8, 2014, the Company jointly, with the Group of Dr. Lucio C. Tan, would like to inform the Exchange as follows:

The two biggest stockholders of Philippine Airlines – San Miguel Corporation (SMC) and the Group of Dr. Lucio C. Tan – signed a joint agreement whereby SMC expressed willingness to sell its 49 percent stake to the Group of Dr. Lucio C. Tan, and the latter has expressed willingness to buy the said 49 percent stake, subject to the fulfillment of certain conditions.

We trust the foregoing satisfies the requirements of the Exchange.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer