SAN MIGUEL CORPORATION

February 26, 2019

The Philippine Stock Exchange, Inc.
Disclosure Department
6th Floor, Philippine Stock Exchange Tower
28th Street, corner 5th Avenue
Bonifacio Global City, Taguig City

Attention: **Janet A. Encarnacion**
Head, Disclosure Department

Gentlemen:

Further to our disclosure on September 11, 2018, we advise the Exchange that San Miguel Corporation (SMC) was informed by counsel, that the latter received on February 22, 2019 a copy of the Decision dated February 19, 2019, rendered by the Special Hearing Panel of the Securities and Exchange Commission (SEC) in the case entitled "Josefina Multi-Ventures Corporation vs. San Miguel Corporation, San Miguel Food and Beverage, Inc., and Ginebra San Miguel Inc." docketed as SEC Case No. 05-18-468.

The Petitioner claims that the share swap transaction between SMC and San Miguel Food and Beverage, Inc. (SMFB), wherein SMC transferred its common shares in Ginebra San Miguel Inc. (GSMI) in exchange for new common shares of SMFB (the "GSMI Share Swap"), required the conduct of a mandatory tender offer under the rules of the Securities Regulation Code. Specifically, the Petition questions the GSMI Share Swap and the corresponding increase in SMFB's authorized capital stock for failing to comply with the SRC's implementing rules and regulations.

The Petitioner prayed that the share swap transaction between SMFB and SMC and the approval of increase in the authorized capital stock of SMFB be declared null and void for violation of the rules on mandatory tender offer; or, in the alternative, the Petitioner requests the SEC to direct SMFB to conduct a mandatory tender offer for GSMI's minority shareholders to swap their shares for SMFB shares under the terms of the GMSI Share Swap.

The SEC Special Hearing Panel dismissed the petition for lack of merit.

Very truly yours,

MARY ROSE S. TAN
Assistant Corporate Secretary