SAN MIGUEL CORPORATION

July 13, 2017

The Philippine Stock Exchange, Inc.
Disclosure Department
3rd Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: **Mr. Jose Valeriano B. Zuño III**
OIC-Head, Disclosure Department

Gentlemen:

We reply with respect to the news article entitled "San Miguel buys Australian bottler Barossa" posted in Inquirer.net on July 13, 2017. The article reported in part that:

> "Conglomerate San Miguel Corp. (SMC)'s packaging arm has scaled up its regional packaging business with the acquisition of Australian bottler Barossa Bottling Services Pty. Ltd. (Barossa).
>
> Barossa is a specialist and independent contract wine bottling and packaging facility serving artisan wineries in South Australia.
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> The acquisition was made by San Miguel Yamamura Packaging International Ltd. (SMYPIL) through its Australian subsidiary, San Miguel Yamamura Australasia Pty Ltd.
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> With this new acquisition, SMC's packaging group expects the contribution of its Australian and New Zealand businesses to be close to 300 million Australian dollars.
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> 'We remain bullish on the Australasian market and will continue to look for bigger and better opportunities in that region. In the meantime, our Philippine operations will continue to expand to meet growing domestic and export demands,' SMC president Ramon S. Ang said in a press statement on Thursday.
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> . . . ."

We confirm that San Miguel Corporation, through San Miguel Yamamura Australasia Pty Ltd., acquired Barossa Bottling Services Pty. Ltd., a specialist and independent wine bottling and packaging facility in South Australia, as reported in the aforementioned article. With the acquisition, the Company expects the Australian and New Zealand packaging business to contribute up to 300 million Australian dollars, as advised by Mr. Ramon S. Ang, President and Chief Operating Officer of the Company.

Very truly yours,

FERDINAND K. CONSTANTINO
Corporate Information Officer