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