



## SAN MIGUEL CORPORATION

April 20, 2011

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

Attention: **Ms. Janet A. Encarnacion**  
**Head - Disclosure Department**

Gentlemen:

Further to the Company's disclosure to the Exchange on the offering of the common shares of the Company and the proposal to issue U.S. dollar-denominated bonds, exchangeable for common shares from treasury stock, dated April 11, 2011, we advise as follows.

1. To date, the Company and Top Frontier Investment Holdings, Inc. have been able to raise approximately US\$900 million composed of US\$ 600 million in exchangeable bonds and US\$ 300 million in common shares during the roadshows and bookbuilding conducted in Southeast Asia and the United Kingdom.

2. The offer price of the common shares shall be ₱110 per share (the "Offer Price"). The common shares shall be offered (i) in the Philippines commencing on April 25 up to April 29 (the "Domestic Offer") and (ii) outside the Philippines, except in the United States, to non-U.S. persons.

Current stockholders holding common shares and residents in the Philippines shall be given priority to participate in the Domestic Offer. The Company shall notify the common stockholders by publication and by mail of such priority and the details of the Domestic Offer shall be made available through the stock and transfer agent of the Company, the SMC Stock and Transfer Service Corporation.

3. The exchangeable bonds will have a maturity of three (3) years, a coupon of 2% per annum and a conversion premium of 25% to the Offer Price. The exchangeable bonds will be listed on the Singapore Stock Exchange.

Very truly yours,

**Virgilio S. Jacinto**  
General Counsel and  
Corporate Secretary