



SAN MIGUEL CORPORATION

April 4, 2012

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:

Please find attached the Joint Statement of San Miguel Corporation (SMC) and the Lucio Tan Group on the investment by SMC, thru its wholly-owned subsidiary, San Miguel Equity Investments, Inc., in Philippine Airlines, Inc. and Air Philippines Corporation.

Very truly yours,

Virgilio S. Jacinto
Corporate Secretary

San Miguel, Lucio Tan Group sign investment agreements

San Miguel Corporation (SMC) and business taipan Lucio Tan last night (April 3, 2012) signed investment agreements that will result in the issuance of new shares to the diversified conglomerate for a minority stake in flag carrier Philippine Airlines Inc. (PAL) and low-cost partner Air Philippines Corporation (Air Phil).

Under the agreement, Trustmark Holdings Corporation (Trustmark) and Zuma Holdings and Management Corporation (Zuma), the holding companies of PAL and Air Phil will issue new shares to San Miguel Equity Investments Inc., a wholly-owned subsidiary of SMC.

Trustmark and Zuma are majority owned by Tan.

Tan and Ramon S. Ang, San Miguel President and COO, said the new investment will allow the two airlines to strengthen operations and stay competitive with the implementation of PAL and Air Phil's fleet modernization program.

Ang said San Miguel welcomes the opportunity to participate in the refueling and modernization plans of the two airlines.