SAN MIGUEL CORPORATION

June 13, 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:

We refer to your letter dated June 13, 2012 with respect to the news article entitled "SMC to offer P80B worth of shares posted in the Inquirer.net on June 13, 2012. The article reported in part that:

> "San Miguel Corp. is embarking on the biggest capital-raising event in the local market with a retail offering of preferred shares worth as much as P80 billion this August, harnessing the cash-awash financial system to replace costly preferred shares issued three years ago.
>
> The offering will consist of a new series of perpetual bonds to refinance the P72 billion worth of preferred shares that were issued to stockholders – including the government—that agreed to convert their common shares to preferred stock in 2009. If issued at the maximum offer size of P80 billion, this will be the single-largest capital market activity in the country exceeded only the Bureau of Treasury's retail treasury bonds (RTBs).

We confirm that the Company contemplates to issue Series "2" preferred shares and increase its authorized capital stock. We are enclosing herewith a copy of the Letter-Disclosure of the Company, dated April 18, 2012, relating to this particular matter for clarificatory purposes. The issuance of the preferred shares and increase in capital stock will be presented for the approval of the stockholders of the Company during the Annual Stockholders' Meeting scheduled for tomorrow afternoon, June 14, 2012.

Very truly yours,

FERDINAND K. CONSTANTINO
Corporate Information Officer

SAN MIGUEL CORPORATION

April 18, 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

Re: **Approval of the Amendment of the Articles of Incorporation**

Gentlemen:

In connection with the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, April 18, 2012, we advise that the Board approved the amendment of the Articles of Incorporation of the Corporation to increase the authorized capital stock from ₱22,500,000,000.00 to ₱30,000,000,000.00, as follows:

(a) the increase in the number of the common shares from 3,390,000,000 common shares to 3,790,000,000, or an increase of 400,000,000 common shares; and

(b) issuance of 1,100,000,000 Series "2" preferred shares with a par value of ₱5.00 per share.

Other than the dividend rate, redemption period and dividend adjustment rate, the features of the Series "2" preferred shares shall be the same as the Series "1" preferred shares. The Board of Directors authorized Management to determine the dividend rate, redemption period and dividend adjustment of the Series "2" preferred shares.

The amendment of the Articles of Incorporation of the Corporation to increase the authorized capital stock shall be presented for approval by the stockholders of the Corporation in its meeting on June 14, 2012.

Very truly yours,

FERDINAND K. CONSTANTINO
Corporate Information Officer