



SAN MIGUEL CORPORATION

August 14, 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 transmit herewith a copy of the Guidelines for the Trading Participants of the Philippine Stock Exchange, in connection with the Public Offering of Series "2" Preferred Shares of the Company.

Very truly yours,

MARY ROSE S. TAN
Assistant Corporate Secretary



SAN MIGUEL CORPORATION

Primary Offer in the Philippines of 1,067,000,000 Series “2” Preferred Shares
consisting of

Subseries “2-A”: 7.500% per annum,
Subseries “2-B”: 7.625% per annum and
Subseries “2-C”: 8.000% per annum

at an Offer Price of ₱75.00 per Share

to be issued upon the approval by the Securities and Exchange Commission of the
increase in authorized capital stock from ₱22.5 billion to ₱30 billion and, subject to the
approval by the Philippine Stock Exchange, Inc., to be listed and traded on
the First Board of The Philippine Stock Exchange, Inc.

Sole Issue Manager

The Hongkong and Shanghai Banking Corporation Limited

Joint Bookrunners

The Hongkong and Shanghai Banking Corporation Limited

UnionBank of the Philippines

BDO Capital & Investment Corporation

China Banking Corporation

RCBC Capital Corporation

First Metro Investment Corporation

ING Bank N.V., Manila Branch

Philippine Commercial Capital, Inc.

SB Capital and Investment Corporation

Standard Chartered Bank

United Coconut Planters Bank

Participating Underwriters

Insular Investment Corporation

PNB Capital & Investment Corporation

Selling Agents

Bank of Commerce

Trading Participants of the Philippine Stock Exchange, Inc.

Guidelines for the Trading Participants of the Philippine Stock Exchange

**in connection with the Public Offering of
1,067,000,000 Series “2” Preferred Shares of San Miguel Corporation**

For the purpose of ensuring and facilitating a fair, orderly and transparent distribution of the 1,067,000,000 Series “2” Preferred Shares (the “Offer Shares”) to the Trading Participants (“TPs”) of the Philippines Stock Exchange (the “PSE”) by and on behalf of the Joint Bookrunners, the following procedures will be undertaken:

1. On Wednesday, August 15, 2012, SMC, through the Joint Bookrunners, shall distribute selling kits to each of the operating TPs. Each selling kit shall contain at least one (1) CD containing the electronic copies of the sales report form, the Final Prospectus, the Applications to Purchase, and the signature cards. Hard copies of the Final Prospectus, Applications to Purchase and signature cards will be delivered separately.
2. The allocation for the TPs, in aggregate, is 213,398,500 Offer Shares (the “Aggregate TP Allocation”), to be further allocated proportionately to each of the TPs at 1,604,500 Offer Shares (the “Per TP Allocation”).
3. Not later than 3:00 p.m. of Friday, August 24, 2012, each TP shall submit to the Sole Issue Manager three (3) sets of the duly accomplished and signed “Undertaking to Purchase Shares of Stock of San Miguel Corporation” (the “Undertaking Form”), together with a Secretary’s Certificate indicating the authorized signatories of such TP and their specimen signatures.

The documents above shall be sent to HSBC at its office at 6/F HSBC Center, 3058 Fifth Avenue West, Bonifacio Global City, Taguig City (Attention: Corrie Purisima / Kristine Ou) on or before the deadline stated above.

Two (2) copies of the Undertaking Forms will be retained by HSBC while the third copy, duly stamped and received by HSBC, will be returned to the TP.

Only duly accomplished and signed original sets of the Undertaking Form will be accepted and considered by HSBC. Facsimile transmissions of the signed Undertaking Form will not be accepted.

TPs who opt not to participate in the Offer and those who fail to submit the Undertaking Form on the specified date and time will be deemed not to have purchased any of the Offer Shares.

4. The TPs shall indicate in the Undertaking Form the total number of Offer Shares that they commit to purchase on a firm basis, including Additional Shares (as defined below), if any (“Firm Order”). Each Firm Order shall not be less than 500 Offer Shares, and thereafter, in multiples of 100 Offer Shares.

Such Firm Order may be more than, equal to, or less than the Per TP Allocation. Orders in excess of the TP Allocation shall be referred to as “Additional Shares”. If the total Firm Order is less than the Aggregate TP Allocation, the TPs shall not be required to purchase the balance.

5. Based on the Undertaking Forms submitted by the TPs, HSBC, in consultation with the other Joint Bookrunners, shall:
 - a. Verify the signature on each Undertaking Form received by HSBC against the Secretary’s Certificate submitted by such TP;

b. Allocate the Offer Shares as follows:

- i. If the total Firm Order is equal or less than the Aggregate TP Allocation, the Joint Bookrunners shall allocate to each TP all the Offer Shares that they respectively ordered, including any order for Additional Shares.
- ii. If the total Firm Order of the TPs is more than the Aggregate TP Allocation, the Joint Bookrunners shall proportionately reduce the Firm Orders of the TPs or, at the sole discretion of the Joint Bookrunners, allocate Offer Shares in addition to the Aggregate TP Allocation, provided that, the Offer Shares allocated to each TP in this case, shall not be less than the Per TP Allocation or its Firm Order, whichever is lower.

6. No later than 12:00 p.m. on Tuesday, August 28, 2012, the Joint Bookrunners, through HSBC, shall notify each TP of its respective allocation (the "Allocated Shares"), as determined in accordance with the allocation rules indicated above.
7. In the event that the number of Offer Shares to be allotted to an applicant, as confirmed by a TP, is less than the number covered by the application of such applicant, then the TP shall cause the refund of the excess of such applicant's payment, without interest, no later than Friday, September 7, 2012.
8. No later than 3:00 p.m. on Friday, September 7, 2012, each TP shall submit the following required documents to SMC Stock Transfer Service Corp. (the "Receiving Agent") at its office located at 2/F San Miguel Corporation Head Office Complex, 40 San Miguel Avenue, Mandaluyong City:

- a) duly accomplished Applications to Purchase and signature cards;
- b) the required attachments to the Applications to Purchase;
- c) two (2) hard copies of the duly certified sales report, in the form prescribed by the Receiving Agent;
- d) CD containing the sales report; and,
- e) one cashier's/manager's or corporate check dated as of the date of submission, covering all of the Offer Shares included in the certified sales report (the "TP Check").

The TP Check should be in the form of a Metro Manila clearing cashier's, manager's or corporate check payable to "SMC Preferred Shares Offer" in Philippine Pesos issued by a reputable bank based in Metro Manila.

The TP Check should indicate the amount corresponding to the Allocated Shares of such TP. Cash payments shall not be accepted.

9. Without prejudice to the foregoing and any subsequent submission of such TP of the above-specified documents, the Receiving Agent, on behalf of SMC, shall reject applications submitted to it if: (i) the TP Check indicates an incorrect amount; (ii) the TP Check is dishonored or returned; or (iii) any of the required documents is not received on or before the date and time specified under Item 8 above.

If the application is rejected by SMC for any of the reasons stated above, then SMC shall return to the concerned TP the documents and TP Check submitted, without interest, no later

than Wednesday, September 12, 2012. Thereafter, the TP shall refund all payments and return all documents to the affected applicants no later than Thursday, September 13, 2012.

10. The Offer Shares may be purchased by (a) any natural person of legal age who is resident in the Philippines, regardless of nationality; and (b) any corporation, association partnership, trust account, fund or entity, that is resident in and organized under the laws of the Philippines and/or licensed to do business in the Philippines, regardless of nationality.
11. After the creation of the Offer Shares and the approval of the listing application by the PSE but prior to the Listing Date (as defined in the Final Prospectus), the Offer Shares will be lodged with the PDTC temporarily in the accounts of the Joint Bookrunners. The Joint Bookrunners will deliver the Offer Shares to the PDTC account of the TP for value date on Listing Date.

Any questions related to the offer of the Offer Shares or the guidelines and procedures for the Offer may be directed to the Joint Bookrunners:

HSBC	Happy Manalac Tel: 581-8380 to 82 Email: happymanalac@hsbc.com.ph Chito Nonato Tel: 581-8380 to 82 Email: chitornonato@hsbc.com.ph
UnionBank of the Philippines	Cecille Asehan Tel: 944-8045 Email: ctasehan@unionbankph.com
BDO Capital & Investment Corporation	Noemi T. Villanueva Tel: 878-4126; 840-7000 local 3165 Email: Villanueva.Noemi@bdo.com.ph Aiban Apolinario Tel: 840-7000 local 32384 Email: Apolinario.Aiban@bdo.com.ph
China Banking Corporation	Rhodora Z. Canto Tel: 885-5526 Email: rzcanto@chinabank.ph Virgilio O. Chua Tel: 804-1737 or 885-5797 Email: vouchua@chinabank.ph
RCBC Capital Corporation	Natalie J. Collado Tel: 894-9000 loc 2213 Email: mnjcollado@rcbc.com Xavier Y. Zialcita Tel: 894-9000 loc 2206 Email: xyzialcita@rcbc.com
First Metro Investment Corporation	Wesley Peralta

	<p>Tel: 858-7961; 858-7936 Email: john.wesley.peralta@firstmetro.com.ph</p>
ING Bank	<p>Rowena Bayoneta Tel: 479-8715 Email: Rowena.Bayoneta@aisa.ING.com</p>
Philippine Commercial Capital, Inc.	<p>Gray G. Tacda Tel: 815-0690 Email: gray.tacda@pccigroup.com.ph</p> <p>Gonzalo B. A. Bongolan Tel: 892-8735 Email: gonzalo.bongolan@pccigroup.com.ph</p>
SB Capital Investment Corporation	<p>Marvin S. Matias Tel: 888-7353 Email: mmatias@securitybank.com.ph</p> <p>Tyrone Justin Yap Tel: 867-6788 loc 5802 Email: tyap@securitybank.com.ph</p>
Standard Chartered Bank	<p>Ryan Tapia Tel: 878-2122 Email: ryan.tapia@sc.com</p>
United Coconut Planters Bank	<p>Arturo I. Lipio, Jr. Tel: 811-9914 Email: ailipio@ucpb.com</p>