



SAN MIGUEL CORPORATION

September 7, 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 advise that the Company published today the Notice of the Redemption of the Series "1" Preferred Shares of the Company. The redemption price is at ₱75.00 per share, and shall be in accordance with the terms and conditions of the issuance of the Shares. The redemption of the Shares was approved by the Board of Directors of the Company on August 13, 2012. Proceeds from the redemption of the Shares and all accumulated unpaid cash dividends shall be paid on October 5, 2012 to the stockholders of record as of September 11, 2012.

Very truly yours,

MARY ROSE S. TAN
Assistant Corporate Secretary