



SAN MIGUEL CORPORATION

January 29, 2013

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 reply to your request for clarification of the news article entitled "SMC Raising Almost \$2B Loans" published in the January 29, 2013 issue of The Manila Bulletin. The article reported in part that:

HONGKONG (Basis Point) --- San Miguel Corporation is seeking almost \$2 billion in loans, sources said.

According to the sources, the conglomerate is sounding relationship banks on a five-year loan of at least \$1 billion in size. Funds could refinance a \$1 billion five-year bullet loan from August 2010 which paid a top-level all-in of 265 basis points (bp) via a margin of 240 over Libor.

The company could also seek a \$300 million working capital facility additional to the \$1 billion-plus loan, sources said.

Meanwhile, the company is considering a takeout of the \$650 million one-year bridge loan recently mandated to Deutsche Bank and Standard Chartered Bank. The \$650 million bridge has an opening margin of 165bp over Libor (London interbank offered rate), stepping up to 200bp after six months, sources said.

The fully underwritten bridge funds the tender offer for \$600 million in exchangeable notes due in 2014.

We confirm the Company seeks to refinance existing financial obligations, as reported in the aforementioned article, to prudently manage its capital and balance sheet structure by taking advantage of the opportunities presented by prevailing market conditions. Such initiative has been the subject of previous disclosures to the Exchange.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer