



SAN MIGUEL CORPORATION

April 4, 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 "PAL, Cambodian group establish new airline" posted in *The Manila Times.net* on April 3, 2013. The article reported in part that:

PHNOM PENH: Cambodia is expected to launch a new airline later this year after a deal was struck between one of the country's biggest tycoons and Philippine conglomerate San Miguel Corp. (SMC).

Kith Meng, chairman of Royal Group—a hotel, media and telecoms empire—inked the deal late on Tuesday with the Manila-based SMC, which owns a controlling stake in Philippine Airlines (PAL), according to a statement.

The Cambodian businessman will retain a 51 percent share of the newly-minted carrier—Cambodia Airlines—the statement said, adding that the Philippine company will own the remaining 49 percent.

We advise that the investment in a minority stake in Cambodia Airlines (49%), under a joint venture agreement with the Royal Group of Companies headed by Mr. Okhna Kith Meng, was made by Philippine Airlines, Inc. (PAL). The Company has a significant minority interest in PAL, through Trustmark Holdings Corporation.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer