



SAN MIGUEL CORPORATION

June 10, 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 write with respect to the following news articles:

1. "SMC takes over PAL, buys out LT Group" posted in the philSTAR.com on June 9, 2013. The article reported in part that:

MANILA, Philippines - Diversified conglomerate San Miguel Corp. (SMC) is set to take over national carrier Philippine Airlines (PAL), just a year since the food-to-infrastructure firm first invested in the airline.

The conglomerate has entered into an agreement to buy the remaining 51 percent stake of PAL currently owned by the LT Group of tycoon Lucio Tan, SMC's top official said.

In a text message, SMC president and chief operating officer Ramon S. Ang said the company would acquire all remaining shares in PAL.

Ang said the transaction would not be conducted through SMC itself but with other units.

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Another SMC official said the conglomerate is set to provide more details regarding the acquisition tomorrow.

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2. "COCKTALES/Mayday? Mayday? Lucio Tan presses eject button in PAL venture with San Miguel" posted in Interaksyon.com m on June 10, 2013. The article reported in part that:

.....The taipan celebrated the wedding anniversary with wife Carmen only last Wednesday at the family-owned Century Park hotel, with the taipan not even giving a hint of the impending major divestment, estimated at a minimum of \$500 million.

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(Emhpasis supplied)

By way of response to the Exchange, we advise that the Company is not acquiring the 51% majority interest of the LT Group in Philippine Airlines ("PAL") and PAL Holdings Inc. ("PHI"), respectively. We have been advised by the LT Group that the latter is in talks with a group of investors who have expressed an interest to purchase such majority interest of the LT Group in PAL and PHI.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer

