



SAN MIGUEL CORPORATION

September 18, 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 with respect to the news article entitled, "SMC to invest \$500M in plane leasing firm" posted in *Inquirer.net* on September 18, 2013. The article reported in part that:

MANILA, Philippines—Conglomerate San Miguel Corp. plans to invest \$500 million in an aircraft-leasing company to support the expansion of Philippine Airlines, SMC president Ramon S. Ang said on Tuesday.

Ang said the investment would be a follow up to the initial \$500 million that the company had put in the airline, allowing it to own roughly half of the flag carrier. Philippine Airlines' second major shareholder is the group of tycoon Lucio Tan, who earlier said he was selling his remaining 51-percent stake although a deal has yet to be finalized.

"We intend to come up with another \$500-million equity for the aircraft-leasing company that will be 100-percent owned by PAL," Ang said at the sidelines of the relaunching of the airline's Manila-to-London route.

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We advise that the statements of Mr. Ramon S. Ang, President and Chief Operating Officer of the Company, relating to: (i) the contemplated additional investment of up to \$500 million in an aircraft-leasing company wholly-owned by Philippine Airlines, Inc. ("PAL") for the expansion of the operations of PAL, and (ii) the plan to acquire additional aircraft, in line with the on-going re-fleeting program of PAL, respectively, as reported in the aforementioned news article, are accurate.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer