SAN MIGUEL CORPORATION

December 27, 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 says profit to rise to P39 billion in 2013" posted in the BusinessMirror". The article reported in part that:

> SAN Miguel Corp. (SMC), the Philippines's largest company by sales, said profit will probably rise 44 percent this year with all units—except Philippine Airlines Inc.—expected to contribute.
>
> Net income will probably increase to P39 billion ($878 million) from about P27 billion in 2012, President Ramon S. Ang said in a mobile-phone message, without giving additional details. The company doesn't give formal earnings forecasts.
>
> The company's projected profit represents a more than four fold increase from 2007 as it expanded into oil, power, mining, infrastructure and airlines. Fuel and oil accounted for about 60 percent of revenue in 2012, compared with about 92 percent from food and drinks in 2008, according to data compiled by Bloomberg.
>
> Profit at the company, started more than a century ago as a brewer, fell 60 percent to P7.5 billion in the nine months which ended on September 31 as it posted a foreign exchange loss of P12.3 billion. The Philippine peso has fallen 7.7 percent against the US dollar this year after rising 7 percent in 2012.

We confirm that the statements of Mr. Ramon S. Ang, President and Chief Operating Officer of the Company, relating to the projected net income of the operating business units of the San Miguel Group for 2013, of approximately P39 billion, as reported in the aforequoted news article, is accurate.

Very truly yours,

FERDINAND K. CONSTANTINO
Corporate Information Officer