



SAN MIGUEL CORPORATION

July 21, 2015

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 "San Miguel to raise P33.5B share sale in August" posted in the BusinessWorld Online on July 20, 2015. The article reported in part that:

"SAN MIGUEL Corp. will seek to raise as much as P33.5 billion (\$741 million) in a month-long public offering of preferred shares starting Aug. 14, underwriter Standard Chartered Bank said yesterday.

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The company said it will use proceeds from the share sale -- the biggest so far this year -- to buy back its outstanding preferred shares worth P54 billion and are maturing in September.

"This will be used by the Company to partially fund the redemption of the outstanding P54-billion Subseries 2-A Preferred Shares of SMC which are callable on September 21, 2015," Standard Chartered Bank Executive Director Erwein Catoto told an investor briefing yesterday.

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Mr. Catoto said the indicative dividend yields of the new preferred shares are 6.1114% to 6.6114% for the tranche callable in the fifth year, 6.3130% to 7.063% for those callable in the seventh year, and 6.8589% to 7.3589% for those callable in the 10th year.

The yields will be decided by Aug. 12 and the stock will be listed on Sept. 21, Mr. Catoto said.

Standard Chartered Bank was appointed as joint lead underwriter and bookrunner, along with BDO Capital & Investment Corp., BPI Capital Corp., China Banking Corp., The Hongkong and Shanghai Banking Corp. Ltd., ING Bank N.V., PNB Capital and Investment Corp., RCBC Capital Corp., and SB Capital Investment Corp.

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By way of response to the Exchange, and as previously disclosed to the Exchange on July 14, 2015, we confirm that the Company contemplates to raise up to P33.5 billion thru the public offering of up to 446,667,000 million preferred shares at an issue price of P75.00 per share. The proceeds of the public offering will be used for the redemption of the outstanding Series 2-A preferred shares of the Company which may be redeemed on September 21, 2015. Appropriate disclosures shall be made to the Exchange upon implementation of such public offering.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer