



SAN MIGUEL CORPORATION

August 19, 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

Re: **Final Terms and Conditions of the Offering of**
Series "2" Preferred Shares – Subseries D, E and F

Gentlemen:

We advise that, pursuant to the authority of the Board of Directors of San Miguel Corporation (the "Corporation") in their meeting held on July 11, 2015, the Corporation approved the following terms and conditions of the offering of 446,667,000 Series "2" Preferred Shares – Subseries D, E and F (the "Offer"), as follows:

1. Initial Dividend Rate

Subseries "2-D": 5.9431% per annum
Subseries "2-E": 6.3255% per annum
Subseries "2-F": 6.8072% per annum

2. Step Up Rate

Step Up Rate for Subseries "2-D"

If not redeemed on the fifth (5th) anniversary from the Issue Date of the subseries, the simple average of the closing rates of the 10-year PDST-R2 for three (3) consecutive days ending on and including the fifth (5th) anniversary from the Issue Date as shown on the PDEX page (or such relevant alternative page) of Bloomberg (or such other electronic service provider) plus 3.00% per annum;

Step Up Rate for Subseries "2-E"

If not redeemed on the seventh (7th) anniversary from the Issue Date of the subseries, the simple average of the closing rates of the 15-year PDST-R2, which rate, if not existing on the date of redemption, shall be determined by interpolation on a straight line basis, based on the 10-year PDST-R2 rate and the 20-year PDST-R2 rate, for three (3) consecutive days ending on and including the seventh (7th) anniversary from the Issue Date as shown on the PDEX page (or such relevant alternative page) of Bloomberg (or such other electronic service provider) plus 3.00% per annum; and

Step Up Rate for Subseries "2-F"

If not redeemed on the tenth (10th) anniversary from the Issue Date of the subseries, the simple average of the 20-year PDST-R2 rate for three (3) consecutive days ending on and including the tenth (10th) anniversary from the Issue Date as shown on the PDEX page (or such relevant alternative page) of Bloomberg (or such other electronic service provider) plus 3.00% per annum;

Capitalized terms used but not defined herein shall have the meanings given to such term in the Prospectus dated August 19, 2015 issued by the Issuer in relation to the Offer.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer