



SAN MIGUEL CORPORATION

September 8, 2014

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 attached news article entitled "PAL buyout a 'done deal'" posted in philSTAR.com on September 7, 2014. The article reported in part that:

"MANILA, Philippines - Filipino-Chinese taipan Lucio Tan has reportedly concluded an agreement to buy back the 49 percent of the Philippine Airlines (PAL) he earlier sold to San Miguel Corp. (SMC).

Tan, who has kept his 51 percent majority stake in PAL, will reacquire full control of the country's flag carrier from incumbent PAL president Ramon Ang, who is concurrently the president and chief operating officer of SMC.

...."

By way of response to the Exchange, we advise that an appropriate disclosure shall be made in the event a definite agreement is concluded by the Company and Lucio Tan Group with respect to the disposition of the respective equity interests in Philippine Airlines, Inc. and Air Philippines Corporation.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer