



SAN MIGUEL CORPORATION

May 26, 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, big foreign firm in talks for merger" posted in The Standard (Internet Edition) on May 25, 2015. The article reported in part that:

"San Miguel Corp. is planning a possible merger with a foreign company that could 'double the size' of the Philippine conglomerate and boost annual revenues to over P1 trillion, its top executive said Monday.

'I'm looking at a large company which I hope to convince soon and this company will double the size of San Miguel all of a sudden,' San Miguel president Ramon Ang told reporters.

'This is like a merger with one company which is a little bit bigger or about the size of San Miguel,' he said.

Ang did not provide additional details, but said the foreign company had 'huge profit' and its pre-cash flow was around \$3 billion.

Ang said the merger would help bring San Miguel closer to achieving its target of P1 trillion in annual revenues.

'When we consolidate all our businesses, maybe we'll hit it next year,' he said.

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By way of response to the Exchange, we advise that the Company continues to evaluate business opportunities which will enhance the value and revenues of the Company and, at the same time, improve the efficiency and profitability of its operating businesses. We further confirm that the statements of Mr. Ramon S. Ang, President and Chief Operating Officer of the Company, relating to a possible tie-up and partnership with a third party which may result in joint investments in particular businesses and boost projected annual revenues, are accurate. However, it seems such tie-up and partnership was taken out of context to refer to a possible merger. An appropriate disclosure shall be made to the Exchange in the event an agreement is concluded for such tie-up and partnership.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer