



SAN MIGUEL CORPORATION

March 9, 2016

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 "Corporate regulator approves P124-billion capital raising" posted in BusinessWorld Online on March 8, 2016. The article reported in part that:

"

The SEC, in an en banc meeting yesterday, approved the P73-billion preferred share sale of San Miguel Corp. ...

. . . .

Documents from the corporate regulator showed San Miguel obtained the green light to raise as much as P30 billion, including an over-subscription option of P9 billion, from the issuance of preferred shares at a price of P75 each. The offer period will run from March 14 to 18, with proceeds to go to refinancing the conglomerate's US dollar-denominated obligations, investments in subsidiaries and general corporate purposes. This forms part of the 975.57 million preferred shares worth P73 billion that San Miguel applied for shelf registration.

. . . . "

By way of response to the Exchange, we have been advised by counsel that the Securities and Exchange Commission (SEC) En Banc approved yesterday, March 8, 2016, the P73-Billion preferred share offering of the Company, including an over-subscription option of P9 billion, at an issue price of P75 per share. Such offering was made under the shelf registration rules of the SEC, and the initial expected proceeds of the offering, P30 Billion, will be used for the refinancing of the conglomerate's US dollar-denominated obligations, investments in subsidiaries and general corporate purposes. We shall apprise the Exchange upon the receipt by the Company of the SEC approval.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer