



SAN MIGUEL CORPORATION

November 10, 2016

The Philippine Stock Exchange, Inc.
Disclosure Department
3rd Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: **Mr. Jose Valeriano B. Zuño III**
OIC - Disclosure Department

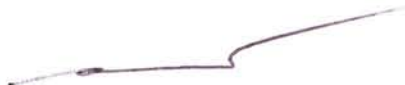
Re: **Use of Proceeds**

Gentlemen:

In connection with the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, November 10, 2016, we advise that the Board of the Directors approved and authorized the change in the use of the proceeds from the offering of Series "2" Preferred Shares, Subseries 2-G, 2-H and 2-I to allocate an additional Php6,865,290,678.46, previously earmarked for the refinancing of loan obligations, to be used instead for investment purposes by the Corporation.

The effectivity of the reallocation of the use of proceeds shall be thirty (30) days after this disclosure to the Exchange and the Securities and Exchange Commission.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer