

**MINUTES OF THE REGULAR MEETING OF
THE STOCKHOLDERS OF
SAN MIGUEL BREWERY INC.**

Held on May 29, 2012
at the Executive Dining Room
2nd Floor, SMC Head Office Complex
40 San Miguel Avenue, Mandaluyong City

PRESENT:

Stockholders

Please refer to the Record of Attendance of Shareholders attached hereto as Annex "A."

Directors

Ramon S. Ang (Chairman of the Board/Chairman, Executive Committee)
Roberto N. Huang (President)
Ferdinand K. Constantino (Chairman, Executive Compensation Committee)
Keisuke Nishimura
Carmelo L. Santiago (Chairman, Audit Committee)
Alonzo Q. Ancheta (Chairman, Governance and Nomination Committee)
Carlos Antonio M. Berba
Virgilio S. Jacinto
Teruyuki Daino
Shobu Nishitani
Hiroshi Ogawa

I. CALL TO ORDER

The meeting was called to order at 2:10 p.m. The Chairman, Mr. Ramon S. Ang, presided over the meeting.

II. CERTIFICATION OF NOTICE AND QUORUM

The Corporate Secretary, Atty. Rosabel Socorro T. Balan, certified that notices were duly sent. She further certified that there are present in person or by proxy, stockholders representing approximately 99.539% of the outstanding capital stock of the Company.

Atty. Balan also informed the stockholders of the procedures to be observed during the open forum after the President's report. She advised the stockholders that questions in writing submitted in advance will be given priority in order to give more stockholders the opportunity to ask questions. Atty. Balan also referred to the Information Statement distributed to the stockholders for the voting procedures in the meeting. She further stated that counting of votes will be done by the Corporate Secretary or Assistant Corporate Secretary with the assistance of the Company's stock transfer agent.

The Chairman informed the stockholders that he is holding proxies for approximately 99% of the outstanding capital stock of the Company and that he will be voting in favor of all corporate actions.

III. APPROVAL OF THE MINUTES OF THE REGULAR STOCKHOLDERS' MEETING HELD ON MAY 31, 2011

The Chairman referred to the minutes of the regular stockholders' meeting held on May 31, 2011 for approval. A copy of the minutes has been posted in the registration area.

On motion duly made and seconded, the stockholders approved the minutes of the regular stockholders' meeting held on May 31, 2011.

IV. PRESENTATION OF THE ANNUAL REPORT

The President, Mr. Roberto N. Huang, delivered the report on the operation performance and business highlights of the Company and its subsidiaries ("Group") for the year ended December 31, 2011 and for the first quarter of 2012. Mr. Huang also outlined in general the Group's major plans in 2012. A copy of the report is attached hereto as Annex "B".

The Chairman thereafter declared an open forum and, together with the President, Chief Finance Officer and Corporate Secretary, entertained questions from the floor.

A certain Mr. Robert Go from Marikina City clarified if the Sudan mentioned in the management's discussion and analysis portion of the annual report of the Company referred to the South or North Sudan. The President answered that the report referred to South Sudan.

There being no more questions, a stockholder moved to close the open forum and to approve and ratify the annual report as presented. The motion was duly seconded. There being no objection to the motion, the annual report was approved and ratified as presented.

V. RATIFICATION OF ACTS AND PROCEEDINGS OF THE BOARD OF DIRECTORS AND CORPORATE OFFICERS

The Chairman proceeded to the next item on the agenda which is the ratification of all acts and proceedings of the Board of Directors and corporate officers since the date of the last stockholders' meeting.

Upon motion duly made and seconded, the following resolution was approved:

“RESOLVED, that all acts, resolutions and proceedings of the Board of Directors and corporate officers of the Company since the Annual Meeting of the Stockholders on May 31, 2011 as set forth in the minutes of the meetings of the Board of Directors be approved, confirmed and ratified.”

VI. APPOINTMENT OF EXTERNAL AUDITOR

The Chairman proceeded to the next item on the agenda which is the appointment of external auditor.

A stockholder moved for the appointment of the accounting firm of Manabat Sanagustin & Co., CPAs as the external auditors of the Company for fiscal year 2012. The motion was duly seconded. There being no objection to the motion, the Chairman declared the motion carried.

VII. ELECTION OF THE BOARD OF DIRECTORS

The Chairman then proceeded to the election of directors. He asked the Corporate Secretary to inform the stockholders of the nominees for election to the Board of Directors.

The Corporate Secretary read the names of the following qualified nominees:

1. Ramon S. Ang
2. Roberto N. Huang
3. Ferdinand K. Constantino
4. Keisuke Nishimura
5. Carmelo L. Santiago
6. Alonzo Q. Ancheta
7. Carlos Antonio M. Berba
8. Virgilio S. Jacinto
9. Teruyuki Daino
10. Shobu Nishitani
11. Hiroshi Ogawa

The Chairman informed the stockholders that Directors Alonzo Q. Ancheta and Carmelo L. Santiago have been identified as nominees for election as independent directors of the Company in the Information Statement circulated to the stockholders in accordance with the requirements of the Securities and Exchange Commission.

A stockholder then moved to dispense with the balloting for the election of directors considering that there are eleven nominees and there are only eleven seats in the Board, and to consider all the eleven nominees as duly elected members of the Board. The motion was seconded. There being no objection, the motion was carried and the Chairman declared the eleven nominees as duly elected members of the Board of Directors.

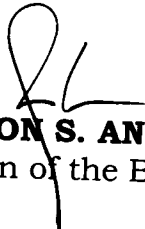
The Chairman, on behalf of management, welcomed the newly-elected Board of Directors and thanked the stockholders for their vote of confidence.

VIII. ADJOURNMENT

The Chairman asked if there are any other matters that the stockholders wish to present. There being none, the Chairman entertained a motion for adjournment.

Upon motion duly made and seconded, the Chairman adjourned the meeting and thanked all stockholders for attending.

ATTESTED BY:



RAMON S. ANG
Chairman of the Board



ROSABEL SOCORRO T. BALAN
Corporate Secretary

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Annex "A"

SAN MIGUEL BREWERY INC.
STOCKHOLDER'S MEETING: May 29, 2012
Record Date : April 20, 2012

Total Shares as of Record Date: 15,410,478,960
Percentage of Attendance: 99.54%
Number of Attendees: 107

No.	Stockholder Name	Common Shares Held	% of O/S	Attendance
1	ALONZO Q. ANCHETA	10,000	0.000065%	10,000
2	RAMON S. ANG	5,000	0.000032%	5,000
3	ALLAN T. ANG	1,000	0.000006%	1,000
4	JOSE A. ARRIOLA	3,000	0.000019%	3,000
5	STEPHANIE C. BALSICAS	3,000	0.000019%	3,000
6	CARLOS ANTONIO M. BERBA	5,000	0.000032%	5,000
7	LILIBETH T. BUENCONSEJO	3,000	0.000019%	3,000
8	MA. RACELLE CALIGAGAN	3,000	0.000019%	3,000
9	ROY C. CATAHAY	1,000	0.000006%	1,000
10	JERRY TEO CHUA OR BONIFACIO T. CHUA ENG GEE	1,000	0.000006%	1,000
11	FERDINAND K. CONSTANTINO	5,000	0.000032%	5,000
12	TERUYUKI DAINO	5,000	0.000032%	5,000
13	EUSEBIO A. DIPASUPIL	1,000	0.000006%	1,000
14	FE A. ESTROPIA	3,000	0.000019%	3,000
15	MILAGROS S. FARRALES	2,000	0.000013%	2,000
16	ROBERTO N. HUANG	5,000	0.000032%	5,000
17	VIRGILIO S. JACINTO	5,000	0.000032%	5,000
18	ATILANO A. JACULBE, JR.	3,000	0.000019%	3,000
19	KIRIN HOLDINGS COMPANY, LIMITED	7,456,854,880	48.388210%	7,456,854,880
20	CELINA F. LUCERO	3,000	0.000019%	3,000
21	ROY EDUARDO T. LUCERO	3,000	0.000019%	3,000
22	CELINE CARMELA F. LUCERO	3,000	0.000019%	3,000
23	FLODELIZ L. LUCIANO	1,000	0.000006%	1,000
24	MELCHOR T. MACABUHAY	5,000	0.000032%	5,000
25	ALDORITA B. MARALIT	3,000	0.000019%	3,000
26	RUBEN L. MORALES	20,000	0.000130%	20,000
27	KEISUKE NISHIMURA	5,000	0.000032%	5,000
28	SHOBU NISHITANI	5,000	0.000032%	5,000
29	HIROSHI OGAWA	5,000	0.000032%	5,000
30	ISADORA A. PAPICA	6,000	0.000039%	6,000
31	San Miguel Corporation Retirement Plan - LODGED	2,710,100	0.017586%	2,710,100
32	San Miguel Brewery, Inc. Retirement Plan - LODGED	5,200,300	0.033745%	5,200,300
33	MARIA LUZ S. RAIRATA	3,000	0.000019%	3,000
34	ELENA G. DELOS REYES	3,000	0.000019%	3,000
35	NOEMI L. RONQUILLO	3,000	0.000019%	3,000
36	HIPOLITO C. ROSEL	3,000	0.000019%	3,000
37	SAN MIGUEL BREWERY, INC. RETIREMENT PLAN	11,000,000	0.071380%	11,000,000
38	SAN MIGUEL CORPORATION	7,859,319,270	50.999838%	7,859,319,270
39	SAN MIGUEL CORPORATION RETIREMENT PLAN	4,211,800	0.027331%	4,211,800
40	CARMELO L. SANTIAGO	5,000	0.000032%	5,000
41	HECTOR A. SANVICTORES represented by Julius Sanvictores	1,000	0.000006%	1,000
42	RICHARD B. TAMBUNTING	3,000	0.000019%	3,000
43	JUAN GABRIEL R. VEDUA	3,000	0.000019%	3,000
		15,339,443,350	99.539043%	15,339,443,350

Percentage of attendance by proxy
Percentage of attendance In person

51.045%
48.494%

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- No. All other guests
- 1 Leticia SY
 - 2 Yolanda dela Cruz
 - 3 Emilio dela Cruz
 - 4 Manuel Dayanghirang
 - 5 Jerry Chua
 - 6 Dante Alignay
 - 7 Teresita Alignay
 - 8 Jerwin Yu
 - 9 Roberto Mendoza
 - 10 Chua Ka si
 - 11 Leoncio Chua Tian Su
 - 12 Ferdinand Pangan
 - 13 Kennedy Aranas
 - 14 Rudolph Eugenio
 - 15 Christian Melchor
 - 16 Co Kian Chay
 - 17 Rita Co
 - 18 Kelvin Co
 - 19 Catalina Co
 - 20 Princesita Yulde
 - 21 Cesar Crisol
 - 22 Ria Caintic
 - 23 Anne Bautista
 - 24 Sheena Paula Pedrieta
 - 25 Espie Lopez
 - 26 Emelda P.
 - 27 Rudolfo S. A.
 - 28 Rodle Castro
 - 29 Danessa Rivera
 - 30 Danilo Monte
 - 31 Kristo Montealegre
 - 32 Lani Gomez
 - 33 Cenie Arriola
 - 34 Ray Patalinghug
 - 35 Josephine Catalina
 - 36 Liberty Sebastian
 - 37 Wilma Ramizo
 - 38 Ma. Christina Paule
 - 39 Jose Parreno
 - 40 Arnel Garibay
 - 41 William Antonio
 - 42 Ric Gaspar
 - 43 Robert Go
 - 44 Joel Guint
 - 45 JVL Tanlaya
 - 46 Richard Tan
 - 47 Marco Napa
 - 48 John Paul
 - 49 V. M. Soriano
 - 50 Emmanuel Manalo

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- 51 Walter Villa
- 52 Charie Chiong
- 53 Paulo San Diego
- 54 James Loyola
- 55 Jerome Morales
- 56 Joann Villanueva
- 57 Fran dela Fuente
- 58 Analyn Benoya
- 59 Joanne Marie Cruz
- 60 Catherine Visconde
- 61 M. Camus
- 62 Divine Panares
- 63 Mart Danga
- 64 Nerissa Cueto

PRESIDENT'S REPORT

2012 SMB ANNUAL STOCKHOLDERS MEETING

Mr. Chairman, members of the Board, fellow stockholders, employees, friends from the media, ladies and gentlemen, good afternoon!

The same passion for brewing world-class beers since 1890 is the same passion that we pour in the relationships that we build and maintain with our stakeholders. This brand of relationship, which we commit to strengthen every year with our customers and business partners is the key reason why were able to beat our own records in 2011.

We fulfilled our promise to grow our business and protect our market leadership in the Philippines. We implemented programs to boost awareness and patronage for our products as we pursued enhancements in productivity and cost management. Last year, our Santa Rosa plant began running in full capacity, enabling us to meet the growing demand for our products in the domestic market.

Alongside our success in the country, our international operations through the San Miguel Brewing International Limited, capped the year with exceptional results driven mainly by better operational efficiencies and cost management programs, as well as volume increases in Indonesia, Hong Kong and Exports.

Fellow stockholders, I am pleased to announce our consolidated operating results in 2011 ---

San Miguel Brewery posted a sales volume of 223.8 million cases, a 1.4% increase from last year. Sales revenue grew 6.4% to reach P72 billion. Operating income rose to P20 billion, an

increase of 10.4% from the previous year, which resulted in a 28.5% operating margin.

The commitment shared by our domestic and international businesses to bring outstanding value to San Miguel Brewery has led us to achieve all-time high records in volume, revenue and operating income -- making 2011 another banner year for your company!

In the Philippines, SMB's market leadership remained strong at about 96%. Our contribution to the total alcoholic beverage category exceeded our targets, reaching 67% in 2011.

Red Horse, the country's leading extra strong beer, grew its volume by 1.6% in 2011 while **San Mig Light** retained its no. 1 status in the low calorie beer segment.

San Miguel Pale Pilsen reinforced its image as the best tasting beer. As what our newest celebrity endorser Apl de Ap of the famed Black Eyed Peas said, our iconic brand is best known for its "*sarap na 'di nagbabago.*" Last year, to give the brand a modern look, we introduced the long neck 330 mL paper label in selected upscale outlets in GMA and Luzon.

With a volume growth of 6% last year, **Gold Eagle Beer** continued to conquer Visayas and Mindanao -- **Cerveza Negra** volumes increased by 16%, **Super Dry** by 8%, and **Premium All Malt** by 3%. Meanwhile, **San Mig Strong Ice** grew its market share in GMA upscale and premium beer segment.

Our newest brand --the **San Miguel Flavored Beer** in lemon and apple variants -- surpassed its volume targets by 61% in its first year of launch in 2011.

Last year, San Miguel Premium All Malt, Cerveza Negra, Red Horse, San Mig Light, and San Miguel Pale Pilsen received the

prestigious Monde Selection Awards. We made it bigger this year as nine of our beer brands won various awards in this year's Monde.

Customer Delight is one of the core values that we espouse in SMB. We faithfully manifest this value in the products and services that we offer, including our signature events headlined by the annual San Miguel Beer Oktoberfest, which gathered around 40,000 participants in last year's celebration -- and Red Horse Muziklaban, now on its 14th year.

We implemented various trade and consumer programs aimed at increasing sales volumes, coverage, and consumption of San Miguel Beer, foremost of which is the conduct of GMA and provincial legs for our National Beer Drinking Contest. We have retained our dominance and strengthened our presence in major Philippine fiestas and festivals.

Likewise, we broadened our reach in home and institutional markets with the expanded 632-Beer hotline, and beneficial partnerships that add value to our business.

And because SMB cares beyond business, we continued with our various CSR programs nationwide, including our flagship environmental advocacy project "Buhayin ang Kalikasan" which gathered more than 2,000 volunteer employees last year.

Our international business performed remarkably in 2011 with an increased patronage for San Miguel and local brands.

Major brand Anker brands and San Miguel premium brands contributed to our double-digit volume growth and expanded profit in Indonesia, while San Miguel and premium brands enjoyed higher sales in Hong Kong.

For exports, volume and profit expansion was evident across all regions, especially in proven markets such as Sudan, Singapore, Malaysia, Taiwan and South Korea, as well as emerging markets in Africa and the Middle East.

North China showed significant volume growth in 2011, with Blue Star asserting its market dominance in the region.

With the positive feedback on the re-launch of San Mig Light's low-calorie and low-alcohol campaign, we remain optimistic in South China amid challenging market conditions. The same campaign was done in Hong Kong, which marked a big year for San Miguel's low-calorie brand.

San Miguel Pale Pilsen's growth across the region was also driven by exciting below-the-line and advertising campaigns.

Fellow stockholders, how we were able to reverse the growth trend of our international operations last year further inspires us now to do better in the global market in 2012.

Allow me now to share with you the highlights of your company's performance in the first quarter of 2012 ---

SMB's consolidated revenues reached P18.3 billion, a 5% increase versus 2011. Operating income grew by 5% over the previous year to P 5.3 billion. Your company delivered a 9% growth in international volumes, while our domestic sales volume remained on target.

Last April 2012, SMB had a successful P20 billion bond offering, the proceeds of which were used to pay maturing obligations and fulfil our commitment to bondholders and creditors. The new bond issuance was oversubscribed --- clearly a vote of confidence from the investing public.

As we remain focused on our goal of bringing outstanding value to SMB, we look forward to seizing more opportunities for growth both here in the Philippines and overseas.

This year, we will further increase beer consumption and assert our leadership in the alcoholic market in the Philippines by **focusing on demand generation programs and accelerating our defense against competition.**

One way to meet this goal is to explore and develop new products and packaging innovations so we can be ready to capitalize on market trends and tap new segments.

We will also **enhance our cost and resource management while improving the effectiveness of our organization.** To achieve this objective, we will improve the value creation in the supply chain through enhanced production, process and material optimization, use of alternative cost-effective materials, stronger quality systems and standards, and proper allocation of resources.

Of course, our business objectives will not be complete without giving back to our communities and the environment through our nationwide CSR initiatives.

Inspired by another rewarding year, San Miguel Brewery is more than ready to sustain its dominance in the Philippines and expand its international presence in the years to come.

With your continued support, we remain confident that your company will reap more profits and build more lasting relationships that we can toast to when we meet again next year.

Maraming salamat po sa inyong patuloy na pagtitiwala sa San Miguel Brewery! Cheers! #