

IMPORTANT: You must read the following disclaimer before continuing. This disclaimer applies to the attached Consent Solicitation Statement. You are therefore advised to read this disclaimer carefully before reading, accessing, or making any other use of the attached Consent Solicitation Statement. In accessing the attached Consent Solicitation Statement, you agree to be bound by the following terms and conditions, including any modifications to it from time to time, each time you receive any information from the Issuer, the Trustee and the Advisors and Consent Solicitation Agents (as such terms are defined in the attached Consent Solicitation Statement).

Confirmation of your representation: You have accessed the attached document on the basis that you have confirmed to the Issuer, the Trustee and the Advisors and Consent Solicitation Agents that (1) you are a holder or a beneficial owner of the Bonds referred to in the attached Consent Solicitation Statement, (2) you are a person to whom it is lawful to deliver, or to grant access to the attached Consent Solicitation Statement through electronic means, and (3) that you consent to the delivery of, or your being granted access to this document through electronic means.

You are reminded that you have accessed the attached Consent Solicitation Statement on the basis that you are a person to whom this Consent Solicitation Statement may be lawfully delivered or made available in accordance with the laws of the jurisdiction in which you are located or otherwise applicable to you, and you may neither deliver nor are you authorized to deliver this Consent Solicitation Statement to any other person.

The attached Consent Solicitation Statement has been made available to you in electronic form. You are reminded that documents made available to you through this medium may have been altered or changed during the process of electronic transmission or access and consequently the Issuer, the Trustee, the Advisors and Consent Solicitation Agents, and their respective affiliates accept no liability or responsibility whatsoever in respect of any difference between this electronic version of the Consent Solicitation Statement made available to you and the hard copy version.

You are responsible for protecting against computer viruses and other destructive items. Your use of this electronic document is at your own risk and it is your responsibility to take precautions to ensure that it is free from computer viruses and other items of a destructive nature.



SAN MIGUEL BREWERY INC.

A subsidiary of San Miguel Corporation

CONSENT SOLICITATION STATEMENT

Consent Solicitation for a Proposed Amendment to the Trust Agreement dated March 16, 2009 Governing the **10.500% Series C Bonds due April 3, 2019** (the "Consent Solicitation").

THIS CONSENT SOLICITATION WILL EXPIRE AT 5:00 P.M (PHILIPPINE TIME) ON DECEMBER 14, 2017, UNLESS SOONER TERMINATED OR EXTENDED BY SAN MIGUEL BREWERY INC. IN ITS SOLE DISCRETION.

Subject to the terms and conditions set forth in this consent solicitation statement (the "Consent Solicitation Statement"), San Miguel Brewery Inc. (the "Issuer", "we", "us" or "our") hereby solicits consents from the holders of record of its outstanding 10.500% Series C Bonds due April 3, 2019 (the "Bonds", and the holders thereof, the "Bondholders") as of 5:00 p.m. (Philippine time) on November 8, 2017 (the "Record Date") to an amendment (the "Proposed Amendment") to the Trust Agreement dated March 16, 2009 between the Issuer and BPI Asset Management and Trust Corporation in its capacity as trustee (the "Trustee"), as amended or supplemented by the Supplemental Agreement dated February 7, 2012 and the Second Supplemental Agreement dated February 2, 2015 (the "Trust Agreement").

The Proposed Amendment is explained in detail in the discussion under the heading "The Proposed Amendment" below. Capitalized terms used but not defined herein shall, unless the context otherwise requires, have the meanings set forth in the Trust Agreement.

As used in this Consent Solicitation Statement, the term "Record Bondholders" means those Bondholders of record as of the Record Date, as reflected in the Register of Bondholders maintained by the Philippine Depository & Trust Corp. (the "Registrar" and the "Paying Agent") pursuant to the Registry and Paying Agency Agreement dated March 16, 2009 between the Issuer and the Registrar (the "Registry and Paying Agency Agreement").

For and in consideration of the grant by a Record Bondholder of his, her or its consent to the Proposed Amendment in accordance with the terms and conditions and procedures set out in this Consent Solicitation Statement (each such consent, a "Consent"; and each Record Bondholder that delivers to the Trustee a consent form validly executed in the form enclosed herewith as Annex A (a "Consent Form") on or before 5:00 p.m. (Philippine time) of December 14, 2017 (or such time and date, as may be adjusted to an earlier or later time and date in the Issuer's sole discretion, the "Expiration Date"), a "Consenting Bondholder"), we shall pay each Consenting Bondholder an amount equal to PHP1.25 per PHP1,000 of the principal amount of the Bonds in respect of which the Consent Form is given (the "Consent Fee").

We shall pay the Consent Fee no later than the third Business Day following the later of the Expiration Date and the Execution Date (as such term is defined below) (a "Business Day" being any day other than Saturday or Sunday on which banks are open for business in Metro Manila, Philippines, and such third Business Day, the "Consent Fee Payment Date").

PLEASE NOTE THAT THE EXPIRATION DATE MAY BE ADJUSTED TO AN EARLIER OR LATER TIME AND DATE AT THE SOLE DISCRETION OF THE ISSUER, SUBJECT TO THE ISSUER'S GIVING NOTICE OF SUCH ADJUSTMENT TO THE BONDHOLDERS IN ACCORDANCE WITH THE DISCUSSION UNDER PARAGRAPH 5 ("AMENDMENTS; PUBLIC ANNOUNCEMENTS") BELOW.

Consent Solicitation Statement for the SMB Series C Bonds due 2019

Additionally, please note that our undertaking to pay the Consent Fee is subject to the fulfillment of the conditions discussed under paragraph 4(e) (“*Conditions to Issuer’s Payment Obligations*”) below, including but not limited to the following:

- (1) the Trustee’s receipt of validly executed and delivered Consent Forms from Record Bondholders representing at least 51% of the aggregate principal amount of the Bonds (the “*Required Consents*”) on or before the Expiration Date;
- (2) the receipt by the Issuer of a certification from the trustee of the 5.93% Series E Bonds due 2019 and 6.60% Series F Bonds due 2022 (the “*Series EF Bonds*”) that validly executed and delivered consents of the holders of the Series EF Bonds as of the Record Date (the “*Series EF Record Bondholders*”) representing at least 51% of the aggregate principal amount of the Series EF Bonds (the “*Required Consents of the Series EF Bonds*”) to the Issuer’s proposed amendment to Section 9.1(l) of the trust agreement covering the Series EF Bonds (the “*Proposed Amendment to the Series EF Bonds Trust Agreement*”) have been obtained on or before the deadline set by the Issuer for the receipt of such consents from the Series EF Record Bondholders (the “*Series EF Bonds Consent Expiration Date*”) under the terms and conditions of the consent solicitation conducted by the Issuer for the Proposed Amendment to the Series EF Bonds Trust Agreement (the “*Series EF Bonds Proposed Amendment Consent Solicitation*”); and
- (3) the execution and delivery by the Issuer and the Trustee of the Supplemental Agreement (as defined below).

As soon as practicable following our receipt of the Trustee’s certification that the Required Consents have been obtained, and in accordance with the Trust Agreement, we may execute and deliver a supplemental agreement with the Trustee that embodies the parties’ agreement on the Proposed Amendment (such agreement, the “*Supplemental Agreement*”, and the date on which the Supplemental Agreement is executed, the “*Execution Date*”). We will make a public announcement of the execution of the Supplemental Agreement via press release and disclosure to the Philippine Dealing & Exchange Corp. and the Philippine Securities and Exchange Commission on the Execution Date.

The Supplemental Agreement will be effective only after the Issuer pays the Consent Fee. If the Required Consents have not been received on or before the Expiration Date, or any of the other conditions set forth herein are not satisfied or waived, no Consent Fee will be paid to any Bondholder, irrespective of whether or not such Bondholder has delivered a validly executed Consent Form.

Following the Consent Fee Payment Date, the Proposed Amendment to the Trust Agreement will be conclusive and binding on all Bondholders and all future holders and owners of the Bonds (or of any bonds issued in lieu thereof or in exchange therefor), irrespective of whether or not such Bondholders or future holders and owners have consented to the Proposed Amendment to the Trust Agreement.

The Advisors and Consent Solicitation Agents for this Consent Solicitation are:

**ING BANK N.V., MANILA BRANCH
STANDARD CHARTERED BANK
November 22, 2017**

TABLE OF CONTENTS

	<u>Page</u>
IMPORTANT INFORMATION	4
IMPORTANT DATES FOR THE CONSENT SOLICITATION	6
SUMMARY OF THE CONSENT SOLICITATION	7
THE BONDS	10
THE CONSENT SOLICITATION	10
ANNEX A (CONSENT FORM)	

IMPORTANT INFORMATION

Record Bondholders are requested to read and carefully consider the information contained herein and to give their Consent to the Proposed Amendment by properly completing and executing the Consent Form enclosed herewith in accordance with the instructions set forth herein and therein.

The transfer of Bonds after the Record Date will not have the effect of revoking any Consent validly given by a Record Bondholder, and each properly completed and executed Consent Form will be counted notwithstanding any subsequent transfer of the Bonds to which such Consent Form relates.

We expressly reserve the right, in our sole discretion and regardless of whether any of the conditions described under paragraph 4(e) (“*Conditions to Issuer’s Payment Obligations*”) have been satisfied, subject to applicable law, at any time prior to acceptance of the Consents, to: (i) terminate this Consent Solicitation for any reason; (ii) waive any of the Conditions to Issuer’s Payment Obligations under paragraph 4(e) below, in whole or in part; (iii) adjust the Expiration Date to an earlier or later time and date; and (iv) amend the terms of this Consent Solicitation. Please see paragraph 5 (“*Amendments; Public Announcements*”). In addition, we expressly reserve the right to execute and deliver to the Trustee the Supplemental Agreement on any Business Day falling before or after the Expiration Date, provided that the Trustee shall have certified that the Required Consents have been obtained.

If the conditions described below under paragraph 4(e) (“*Conditions to Issuer’s Payment Obligations*”) have not all been satisfied or waived (including, without limitation, the condition that the Trustee must have received the Required Consents on or before the Expiration Date), then we will not be obligated to pay any Consent Fee whatsoever. Any Record Bondholder desiring to give his, her or its Consent to the Proposed Amendment must deliver the properly completed and executed Consent Form and any other documents required by the Consent Form to the Trustee at the latter’s address set forth in the said Consent Form, on or prior to the Expiration Date.

Beneficial owners of the Bonds desiring to deliver Consents and whose Bonds are held, as of the Record Date, in the name of a broker, dealer, commercial bank, trust company or other nominee institution, must contact such nominee promptly and instruct such nominee, as the Record Bondholder of such Bonds, to deliver the Consent on behalf of the beneficial owner on or prior to the Expiration Date.

The Issuer has received the requisite corporate approvals to undertake the Consent Solicitation. However, the Issuer does not make any recommendation to you as to whether you should execute and deliver the Consent Forms. You must make your own decision as to whether or not to execute and deliver a Consent Form.

No person has been authorized to provide you with any information or make any representations other than those contained herein or in the accompanying Consent Form and other materials, and, if given or made, such information or representations must not be relied upon as having been authorized by us, the Trustee, ING Bank N.V., Manila Branch and Standard Chartered Bank (the “*Advisors*” and “*Consent Solicitation Agents*”), or any other person. None of the Trustee, the Advisors and Consent Solicitation Agents, or any of their respective affiliates has verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Trustee, the Advisors and Consent Solicitation Agents, or any of their respective affiliates as to the accuracy or completeness of the information contained in this Consent Solicitation Statement or any other information provided by the Issuer in connection with this Consent Solicitation. None of the Trustee, the Advisors and Consent Solicitation Agents, or any of their respective affiliates accepts any responsibility for this Consent Solicitation Statement, makes any representation regarding this Consent Solicitation Statement or this Consent Solicitation or owes any duty to any Bondholder except as may be provided in the Trust Agreement.

The statements made in this Consent Solicitation Statement are made as of the date hereof, and the delivery of this Consent Solicitation Statement and the accompanying materials shall not, under any circumstances, create any implication that the information contained herein is correct subsequent to the date hereof or after the date hereof, or that there has been no change in the information set forth herein or in our affairs since the date hereof.

ING Bank N.V., Manila Branch and Standard Chartered Bank are acting as Advisors and Consent Solicitation Agents to the Issuer in relation to this Consent Solicitation and to no one else and will not regard any other person as its customer or be responsible to anyone other than the Issuer for providing the protections normally afforded to customers of the Advisors and Consent Solicitation Agents or for providing advice in relation to this

Consent Solicitation Statement for the SMB Series C Bonds due 2019

Consent Solicitation. The Advisors and Consent Solicitation Agents and their associates may have a holding in, or may from time to time provide advice or other investment services in relation to, or engage in transactions involving, the Bonds.

Recipients of this Consent Solicitation Statement and the accompanying materials should not construe the contents hereof or thereof as legal, business or tax advice. Each recipient should consult its own attorney, business advisor, tax advisor and other professional advisors as to the legal, business, tax and other matters concerning this Consent Solicitation.

Requests for additional copies of this Consent Solicitation Statement and the Consent Form should be directed to the **Trustee** or the **Advisors and Consent Solicitation Agents** at the relevant address, telephone number or email address set out on page 15 of this Consent Solicitation Statement. The Consent Solicitation Statement and the Consent Form may also be downloaded from the Issuer's website at www.sanmiguelbrewery.com.ph.

Any questions regarding the terms of the Consent Solicitation may be directed to the **Advisors and Consent Solicitation Agents** at the relevant address, telephone number or email address set out on page 15 of this Consent Solicitation Statement.

This Consent Solicitation Statement is issued and directed only to the Record Bondholders and no other person shall be, or is entitled to rely or act on, or be able to act on, its contents.

Each Record Bondholder, by accepting delivery of this Consent Solicitation Statement and by execution and delivery of the Consent Form, will be deemed to have represented, agreed and acknowledged that he, she or it is the beneficial owner of the Bonds to which the Consent Form relates or has been duly authorized to act on behalf of the beneficial owner of such Bonds; and he, she or it understands that the Issuer, the Trustee, the Advisors and Consent Solicitation Agents, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

This Consent Solicitation Statement has not been reviewed by the Philippine Securities and Exchange Commission.

NONE OF THE ISSUER, THE TRUSTEE, OR THE ADVISORS AND CONSENT SOLICITATION AGENTS MAKES ANY RECOMMENDATION AS TO WHETHER OR NOT RECORD BONDHOLDERS SHOULD CONSENT TO THE PROPOSED AMENDMENT. EACH RECORD BONDHOLDER MUST MAKE HIS, HER OR ITS OWN DECISION AS TO WHETHER TO EXECUTE AND DELIVER A CONSENT FORM PURSUANT TO THIS CONSENT SOLICITATION STATEMENT. RECORD BONDHOLDERS ARE URGED TO CAREFULLY EVALUATE ALL OF THE INFORMATION IN THIS CONSENT SOLICITATION STATEMENT AND TO CONSULT THEIR OWN INVESTMENT AND TAX ADVISORS IN MAKING THEIR DECISION AS TO WHETHER TO EXECUTE AND DELIVER A CONSENT FORM PURSUANT TO THIS CONSENT SOLICITATION STATEMENT.

Consent Solicitation Statement for the SMB Series C Bonds due 2019

IMPORTANT DATES FOR THE CONSENT SOLICITATION

Bondholders should take note of the following important dates in connection with this Consent Solicitation. Please note that this schedule is subject to change if the Issuer adjusts the Expiration Date to a later or earlier time and date, or otherwise amends the terms of this Consent Solicitation, in its sole discretion, as permitted by and in accordance with this Consent Solicitation Statement.

Date	Event
5:00 p.m. (Philippine time) of November 8, 2017	Record Date
November 22, 2017	Commencement of the Consent Solicitation
November 22, 2017 to December 14, 2017	The period during which Record Bondholders may deliver Consents, as may be adjusted by the Issuer to a later or earlier time and date in its sole discretion.
5:00 p.m. (Philippine time) of December 14, 2017	Expiration Date – The deadline for a Record Bondholder to deliver Consents pursuant to the Consent Solicitation and be eligible to receive the Consent Fee. The Expiration Date may be adjusted by the Issuer to a later or earlier time and date in its sole discretion. The Expiration Date for the Bonds is independent of the Series EF Bonds Consent Expiration Date.
December 19, 2017	The estimated Execution Date – The date on which the Issuer and the Trustee may enter into the Supplemental Agreement.
December 22, 2017	The estimated Consent Fee Payment Date – The date upon which the Proposed Amendment will become effective after the payment of the Consent Fee by the Issuer pursuant to the Consent Solicitation.

SUMMARY OF THE CONSENT SOLICITATION

The following summary is provided solely for the convenience of the Record Bondholders and is qualified in its entirety by reference to the more detailed information contained elsewhere in this Consent Solicitation Statement and any amendments or supplements hereto. Record Bondholders are urged to read this Consent Solicitation Statement and the related Consent Form in their entirety, as each contains important information which Record Bondholders should read carefully before making any decision with respect to the Consent Solicitation conducted hereby.

Overview

The purpose of this Consent Solicitation is to obtain the Consent from Record Bondholders holding at least 51% of the aggregate principal amount of the Bonds to the Proposed Amendment. For a more detailed description of the Consent we are seeking, please refer to the discussion under the heading “*The Proposed Amendment*” below.

<i>The Bonds</i>	10.500% Series C Bonds due April 3, 2019
<i>Consent Solicitation</i>	<p>The purpose of this Consent Solicitation is to obtain the consent, to the Proposed Amendment, of Record Bondholders holding at least 51% of the aggregate principal amount of the Bonds.</p> <p>The Proposed Amendment seeks to align the terms of 9.1(l) (Change of Control) of the Trust Agreement with Section 9.1(l) (Change of Control) of the Trust Agreement dated March 14, 2014 between the Issuer and Rizal Commercial Banking Corporation covering the Issuer’s 5.50% Series G Bonds due 2021 and 6.00% Series H Bonds due 2024 (the “<i>Series G and H Bonds Trust Agreement</i>”).</p> <p>For this purpose, Section 9.1(l) of the Trust Agreement shall be amended as follows:</p> <p>From:</p> <p style="padding-left: 40px;">(l) <i>Change of Control Default.</i> The Issuer ceases to be at least 51% owned by its parent company, SMC.</p> <p>To:</p> <p style="padding-left: 40px;">(l) <i>Change of Control Default.</i> <u>San Miguel Corporation (“SMC”) ceases to have the ability to consolidate the Issuer as a subsidiary in its consolidated financial statements in accordance with the accounting principles and standards applicable to SMC then in effect.</u></p> <p>The Proposed Amendment will not alter the interest rate or maturity date of the Bonds, the Issuer’s obligation to make principal and interest payments on the Bonds, or the substantive effect of any other covenant or provision of the Bonds.</p>
<i>Consent Fee</i>	Subject to the conditions set out under the heading “ <i>Conditions to Issuer’s Payment Obligations</i> ” below, the Issuer will pay to each Record Bondholder from whom the Trustee has received a validly executed and delivered Consent Form on or before the Expiration Date an amount equal to PHP1.25 for each PHP1,000 of the principal amount of the Bonds in respect of which such Consent Form is given.

Consent Solicitation Statement for the SMB Series C Bonds due 2019

<i>Trust Agreement</i>	The Trust Agreement dated March 16, 2009 between the Issuer and the Trustee as supplemented or amended by the Supplemental Agreement dated February 7, 2012 and the Second Supplemental Agreement dated February 2, 2015.
<i>Supplemental Agreement</i>	The Supplemental Agreement to be entered into by and between the Issuer and the Trustee to embody the agreement among the Issuer, the Consenting Bondholders and the Trustee on the Proposed Amendment. The Supplemental Agreement will modify the terms of the Trust Agreement solely with respect to the provision on the change in control of the Issuer under Section 9.1(l) of the Trust Agreement.
<i>Trustee</i>	BPI Asset Management and Trust Corporation
<i>Required Consents</i>	The receipt by the Trustee of validly executed and delivered Consent Forms evidencing the Consents of Record Bondholders representing at least 51% of the aggregate principal amount of the Bonds on or before the Expiration Date.
<i>Expiration Date</i>	This Consent Solicitation will expire at 5:00 p.m. (Philippine time) on December 14, 2017, unless such time and date are adjusted to an earlier or later time and date by the Issuer in its sole discretion. The Expiration Date for the Bonds is independent of the Series EF Bonds Consent Expiration Date.
<i>Record Date</i>	5:00 p.m. (Philippine time) of November 8, 2017
<i>Conditions to Issuer's Payment Obligations</i>	<p>The Issuer's obligation to pay the Consent Fee to the Consenting Bondholders is subject to the following conditions:</p> <ul style="list-style-type: none"> (i) the receipt by the Trustee of validly executed and delivered Consent Forms evidencing the Required Consents on or before the Expiration Date; (ii) the receipt by the Issuer of a certification from the trustee of the Series EF Bonds that the Required Consents of the Series EF Bonds to the Issuer's Proposed Amendment to the Series EF Bonds Trust Agreement have been obtained on or before the Series EF Bonds Consent Expiration Date under the terms and conditions of the Series EF Bonds Proposed Amendment Consent Solicitation; (iii) the execution and delivery by the Issuer and the Trustee of the Supplemental Agreement; (iv) the absence of any law or regulation which would, and the absence of any pending or threatened injunction or other proceeding which (if adversely determined) would, render the Proposed Amendment unlawful or invalid, or enjoin or materially delay the implementation of the Proposed Amendment; and (v) (A) no change (or development involving a prospective change) shall have occurred in or shall have threatened the Issuer's business, properties, assets, liabilities, financial condition, operations, or results of operations, and (B) no change (or development involving a prospective change) shall have occurred in the financial markets generally or affecting the Issuer's equity or the Bonds, in each case, which, in the Issuer's reasonable

Consent Solicitation Statement for the SMB Series C Bonds due 2019

	<p>judgment, is or may be adverse to the Issuer or has or may have a material adverse effect upon the contemplated benefits to the Issuer of the Proposed Amendment.</p> <p>The foregoing conditions are for the Issuer’s sole benefit and the Issuer may, in its sole discretion, waive any of these conditions, in whole or in part, at any time and from time to time or otherwise amend the terms and conditions of this Consent Solicitation at any time.</p>
<i>How to Deliver Consents</i>	Validly completed and executed Consent Forms should be delivered to the Trustee in time for receipt by the latter on or before the Expiration Date (for entitlement to the Consent Fee) in accordance with paragraph 4(c) (“ <i>Procedure for Giving Consents</i> ”).
<i>Irrevocability of Consents</i>	Consents are irrevocable once delivered to the Trustee.
<i>Assistance and Information</i>	<p>Requests for additional copies of this Consent Solicitation Statement and the Consent Form should be directed to the Trustee or Advisors and Consent Solicitation Agents at the relevant address, telephone number or email address set out on page 15 of this Consent Solicitation Statement. The Consent Solicitation Statement and Consent Form may also be downloaded from the Issuer’s website at www.sanmiguelbrewery.com.ph.</p> <p>Any questions regarding the terms of this Consent Solicitation may be directed to the Advisors and Consent Solicitation Agents at the relevant address, telephone number or email address set out on page 15 of this Consent Solicitation Statement. Beneficial owners of the Bonds may also contact their brokers, dealers, commercial banks or trust companies for assistance concerning this Consent Solicitation.</p> <p>Requests for copies of the Trust Agreement and the form of the Supplemental Agreement may be directed to the Trustee at its address, telephone number or email address set out on page 15 of this Consent Solicitation Statement.</p>
<i>Income Tax Considerations</i>	For a summary of certain Philippine income tax consequences in connection with the Consents and the Proposed Amendment, see “ <i>Certain Tax Considerations</i> ” in paragraph 6 below.
<i>Consequences to Non-Consenting Bondholders and Future Bondholders</i>	If the Required Consents are obtained and the other conditions are satisfied (or waived) and the Supplemental Agreement becomes operative, all Bondholders and future holders and owners of the Bonds will be bound by the terms of the Trust Agreement as amended by the Supplemental Agreement giving effect to the Proposed Amendment, whether or not they deliver Consent Forms or have consented to the Proposed Amendment.
<i>Advisors and Consent Solicitation Agents</i>	ING Bank N.V., Manila Branch Standard Chartered Bank

THE BONDS

The terms and conditions of the Bonds are set out in the Trust Agreement and the Prospectus dated March 16, 2009 (the “*Prospectus*”) which was distributed during the offering of the Bonds. Copies of such documents are available for inspection during normal business hours at the offices of the Trustee. Requests for copies of the Trust Agreement may be directed to the Trustee at its address, telephone number or email address set out on page 15 of this Consent Solicitation Statement. The Prospectus may also be downloaded from the Issuer’s website at www.sanmiguelbrewery.com.ph.

THE CONSENT SOLICITATION

1. The Proposed Amendment

The terms and conditions of the Bonds set out in Section 9.1(l) of the Trust Agreement provide that a change in control of the Issuer will constitute an event of default. A change in control occurs under Section 9.1(l) when the Issuer ceases to be at least 51% owned by its parent company, San Miguel Corporation (“*SMC*”).

The Issuer seeks to align the change in control default provision under Section 9.1(l) of the Trust Agreement with the change in control default provision under Section 9.1(l) of the Series G and H Bonds Trust Agreement. Under Section 9.1(l) of the Series G and H Bonds Trust Agreement, a change in control of the Issuer occurs when SMC ceases to have the ability to consolidate the Issuer as a subsidiary in its consolidated financial statements in accordance with the accounting principles and standards applicable to SMC then in effect.

Accordingly, the Issuer seeks to modify Section 9.1(l) of the Trust Agreement:

From:

9.1 Events of Default

Each of the following events constitutes an Event of Default under this Agreement:

xxx

(l) *Change of Control Default.* The Issuer ceases to be at least 51% owned by its parent company, SMC.

To:

9.1 Events of Default

Each of the following events constitutes an Event of Default under this Agreement:

xxx

(l) *Change of Control Default.* **San Miguel Corporation (“SMC”) ceases to have the ability to consolidate the Issuer as a subsidiary in its consolidated financial statements in accordance with the accounting principles and standards applicable to SMC then in effect.**

2. Rationale for the Proposed Amendment

SMC, the parent company of the Issuer, is in the process of undertaking a corporate reorganization of its business interests which involve the grouping of all its food and beverage businesses under one group (San Miguel Pure Foods Company, Inc. which will later be renamed to San Miguel Food and Beverage, Inc. (“*SMFBI*”). The corporate reorganization is expected to result in synergies in the food and beverage business units of the San Miguel group, unlock greater shareholder value by providing a sizeable consumer vertical market under SMC, and provide investors direct access to the consumer business of the San Miguel group through SMFBI.

Consent Solicitation Statement for the SMB Series C Bonds due 2019

The Proposed Amendment allows for the Issuer to remain under the effective control of SMC through SMFBI in the implementation of the foregoing corporate reorganization of the food and beverage business of SMC, thus ensuring that Section 9.1(l) of the Trust Agreement remains consistent with its original intended purpose.

3. Purpose of the Consent Solicitation

The purpose of the Consent Solicitation is to obtain the Required Consents to the Proposed Amendment.

The Required Consents must be obtained to authorize the Issuer and Trustee to enter into the Supplemental Agreement embodying the Proposed Amendment.

4. Terms of the Consent Solicitation

(a) *Record Date*

The Record Date for the determination of Bondholders entitled to give Consents and receive the Consent Fee pursuant to this Consent Solicitation is 5:00 p.m. (Philippine time) on November 8, 2017. This Consent Solicitation Statement and the accompanying Consent Form are being sent to all Record Bondholders.

The Issuer reserves the right to establish from time to time any new time and date as the Record Date and, thereupon, any such new time and date will be deemed to be the “*Record Date*” for purposes of this Consent Solicitation. Notice will be provided to the Bondholders in accordance with paragraph 5 below (“*Amendments; Public Announcements*”) if the Record Date is so changed.

(b) *Consent Fee*

Subject to the conditions set out under the heading “*Conditions to Issuer’s Payment Obligations*” below, the Issuer shall pay the Consent Fee equal to PHP1.25 per PHP1,000 of the principal amount of the Bonds in respect of which a validly executed Consent Form is delivered to the Trustee on or before the Expiration Date (or 0.125% of the principal amount of such Bonds) to the Consenting Bondholder delivering such Consent Form, no later than the Consent Fee Payment Date.

The right to receive the Consent Fee is not transferable with any Bonds. The Issuer will only pay the Consent Fee to Record Bondholders who have properly delivered to the Trustee validly executed Consent Forms that have been verified by the Registrar and remain in effect at the Expiration Date in accordance with the terms hereof. No other holder of any Bonds will be entitled to receive any Consent Fee.

The payment of the Consent Fee will be made through the Record Bondholders’ respective settlement banks, consistent with their instructions to the Registrar and the Paying Agent for the payment of interest and principal on the Bonds.

The Consent Fee will be computed based on the following formula:

$\frac{\text{Consent Fee}}{\text{Principal amount of the Bonds in respect of which the Consent Form is given}} \times \text{PHP1,000}$	$\times \text{PHP1.25}$
--	-------------------------

(c) *Procedure for Giving Consents*

Record Bondholders who wish to consent to the Proposed Amendment should complete, sign and date the Consent Form attached hereto as Annex A and deliver the same to the Trustee at the address set forth in the Consent Form, in accordance with the instructions contained herein and therein.

If a Consent Form relates to fewer than all the Bonds or lesser than the principal amount of all the Bonds held of record as of the Record Date by the Record Bondholder executing such Consent Form, such Record Bondholder

Consent Solicitation Statement for the SMB Series C Bonds due 2019

must indicate on the Consent Form the aggregate peso amount (in integral multiples of PHP1,000) of such Bonds to which the Consent relates. In the absence of a specified amount or in case the specified amount is higher than the principal amount of the Bonds registered in the Record Bondholder's name in the Register of Bondholders as of the Record Date, the Consent Form will be deemed to relate to all Bonds and to the entire principal amount of such Bonds registered in the name of such Record Bondholder in the Register of Bondholders as of the Record Date.

For a Record Bondholder to be eligible to receive the Consent Fee, a Record Bondholder must give his, her or its Consent to the Proposed Amendment by delivering to the Trustee (or procuring the delivery to the Trustee through an Advisor and Consent Solicitation Agent) a properly completed and executed Consent Form and any other documents required hereunder at the Trustee's address set forth on the Consent Form, on or before the Expiration Date (for entitlement to the Consent Fee). Delivery of a Consent Form to the Issuer, Advisor and Consent Solicitation Agent, or Registrar shall not be considered valid delivery under this Consent Solicitation Statement, and the Record Bondholder giving such Consent Form shall not be entitled to any Consent Fee.

Beneficial owners of the Bonds desiring to deliver Consent Forms and whose Bonds are held, as of the Record Date, in the name of a broker, dealer, commercial bank, trust company or other nominee institution, must contact such nominee promptly and instruct such nominee, as the Record Bondholder of such Bonds, to execute and deliver a Consent Form on behalf of such beneficial owner on or prior to the Expiration Date. Please give sufficient time to allow such person to process your instructions and meet the Expiration Date for delivery of Consent Forms. To ensure timely receipt of your instructions, please check with your broker, dealer, commercial bank, custodian or the relevant Advisor and Consent Solicitation Agent for clarification as to the processing time required and deliver the appropriate materials well before that time. If such person does not have adequate time to process your instruction, your Consent will not be given effect.

The method of delivery of the documents to the Trustee is at the election and risk of the Record Bondholder delivering his, her or its Consent. Delivery of such documents will be deemed made only when actually received by the Trustee at the address set forth on the Consent Form. In all cases, sufficient time should be allowed to assure timely delivery. **Thus, while you may choose to have your documents delivered through an Advisor and Consent Solicitation Agent, you must nevertheless ensure that the documents are received by the Trustee before the Expiration Date. Delivery of any Consent Form to an Advisor and Consent Solicitation Agent shall not be considered valid delivery under this Consent Solicitation Statement unless such Consent Form is received by the Trustee on or before the Expiration Date.**

(d) Determination of Validity

The Registrar has the obligation to determine that the person(s) signing the Consent Form were duly authorized to do so based on its records and that such person(s)' signature(s) appearing therein are authentic. In the event of a change in the authorized signatories of any Record Bondholder, such Record Bondholder must ensure that copies, certified by such Record Bondholder's corporate secretary, of the resolutions adopted by such Record Bondholder's board of directors or other appropriate body (or such other documents as the Registrar may reasonably require), together with the relevant specimen signatures of such signatories, are sent to the Trustee's address together with the executed Consent Form.

The Registrar shall notify the Trustee of the results of such determination.

All questions as to the validity, form, eligibility (including time of receipt) and acceptance for payment of any delivered Consent Forms pursuant to any of the procedures described herein and the form and validity of all related documents will be determined by the Trustee, in its sole discretion, which determination will be final and binding. The Trustee reserves the absolute right to reject any or all deliveries of any Consent Forms as it may determine to be not proper. A Consent Form will not be deemed to have been validly delivered (for purposes of, among others, the Consent Fee and the determination of the Required Consents) until all defects or irregularities in such deliveries of Consent Forms have been cured or waived. Any defect or irregularity in connection with deliveries of Consent Forms must be cured within such time as the Trustee determines, unless waived. None of the Issuer, the Trustee, the Registrar, the Advisors and Consent Solicitation Agents, or any other person will be under any duty to give notification of any defects or irregularities in any deliveries of Consents or Consent Forms, or will incur any liability for failure to give any such notification.

Consent Solicitation Statement for the SMB Series C Bonds due 2019

(e) Conditions to Issuer's Payment Obligations

- (i) The Issuer's obligation to pay the Consent Fee to the Consenting Bondholders is subject to the following conditions:
 - (1) the receipt by the Trustee of validly executed and delivered Consent Forms evidencing the Required Consents on or before the Expiration Date;
 - (2) the receipt by the Issuer of a certification from the trustee of the Series EF Bonds that the Required Consents of the Series EF Bonds to the Issuer's Proposed Amendment to the Series EF Bonds Trust Agreement have been obtained on or before the Series EF Bonds Consent Expiration Date under the terms and conditions of the Series EF Bonds Proposed Amendment Consent Solicitation;
 - (3) the execution and delivery by the Issuer and the Trustee of the Supplemental Agreement;
 - (4) the absence of any law or regulation which would, and the absence of any pending or threatened injunction or other proceeding which (if adversely determined) would, render the Proposed Amendment unlawful or invalid, or enjoin or materially delay the implementation of the Proposed Amendment; and
 - (5) (A) no change (or development involving a prospective change) shall have occurred in or shall have threatened the Issuer's business, properties, assets, liabilities, financial condition, operations, or results of operations, and (B) no change (or development involving a prospective change) shall have occurred in the financial markets generally or affecting the Issuer's equity or the Bonds, in each case which, in the Issuer's reasonable judgment, is or may be adverse to the Issuer or has or may have a material adverse effect upon the contemplated benefits to the Issuer of the Proposed Amendment.
- (ii) If any of the foregoing conditions are not satisfied (or waived by the Issuer) on or prior to the Expiration Date, the Issuer may, in its sole discretion and upon giving notice to the public in accordance with paragraph 5 ("*Amendments; Public Announcements*") below, allow this Consent Solicitation to lapse or extend the solicitation period and continue soliciting Consents pursuant to this Consent Solicitation. Subject to any applicable law, this Consent Solicitation may be abandoned or terminated at any time and for any reason as determined by the Issuer in its sole discretion, in which case, any Consent received prior to such abandonment or termination will be automatically voided.

(f) Representations and Warranties of Consenting Bondholders

By delivering a Consent Form pursuant to this Consent Solicitation Statement, a Record Bondholder shall be deemed to acknowledge, represent, warrant and undertake to the Issuer and the Trustee, as of the date such Consent Form is delivered and the Execution Date, that:

- (i) he/she/it has received, reviewed and understood this Consent Solicitation Statement;
- (ii) he/she/it has the full power and authority to issue and deliver the Consent Form;
- (iii) he/she/it has obtained any and all approvals or consents as may be necessary to execute the Consent Form and deliver the same to the Trustee; and
- (iv) he/she/it understands, acknowledges and agrees to all of the terms and conditions set out in this Consent Solicitation Statement and the Consent Form.

(g) Supplemental Agreement

Following the Trustee's certification that the Required Consents have been obtained, the Issuer and the Trustee shall, no later than one Business Day from the Trustee's receipt of written notice from the Issuer, execute the Supplemental Agreement embodying the parties' agreement on the Proposed Amendment. The Issuer will make a public announcement of the execution of the Supplemental Agreement via press release and disclosure to the

Consent Solicitation Statement for the SMB Series C Bonds due 2019

Philippine Dealing & Exchange Corp. and the Philippine Securities and Exchange Commission on the Execution Date.

The Supplemental Agreement will become effective on the Consent Fee Payment Date.

For the avoidance of doubt, the Issuer reserves the discretion to determine whether or not to execute and deliver the Supplemental Agreement, and the Issuer's receipt of certification by the Trustee that the Required Consents have been obtained will in no event obligate the Issuer to execute the Supplemental Agreement with the Trustee. The Issuer also reserves the discretion to enter into the Supplemental Agreement with the Trustee on any day falling before or after the Expiration Date, for as long as the Required Consents have been obtained.

(h) Binding Effect on Non-Consenting or Future Bondholders

From and after the Consent Fee Payment Date, the Proposed Amendment will be conclusive and binding on all Bondholders and all future holders and owners of the Bonds (or of any bonds issued in lieu thereof or in exchange therefor), irrespective of whether or not such Bondholders or future holders and owners have consented to the Proposed Amendment to the Trust Agreement.

5. Amendments; Public Announcements

The Issuer may, in its discretion, amend any of the terms and conditions set out in this Consent Solicitation Statement, and the Record Bondholders shall be deemed notified thereof, by giving written notice thereof to the Trustee and making a public announcement thereof by press release and disclosure to the Philippine Dealing & Exchange Corp. and the Philippine Securities and Exchange Commission on the Business Day following the receipt of such written notice by the Trustee. Any such amendment shall become effective on the Business Day following the issuance of such press release and disclosure. Such amendments may include but are not limited to a pre-termination or extension of the period during which this Consent Solicitation shall remain open by adjusting the Expiration Date to an earlier or later time and date.

If this Consent Solicitation is amended or modified in a manner determined by the Issuer to constitute a material change to the Record Bondholders, the Issuer may, if appropriate, extend this Consent Solicitation for a period deemed by it to be adequate to permit the Record Bondholders to deliver their Consents.

The Issuer's interpretation of the terms and conditions of this Consent Solicitation will be final and binding.

6. Certain Tax Considerations

Tax on the Consent Fee Payments

A Record Bondholder receiving the Consent Fee may be subject to Philippine income tax on the payments received.

Under the Philippine National Internal Revenue Code of 1997, as amended (the "*Tax Code*"), the Consent Fee will, as a rule, form part of the gross income of the Record Bondholder delivering the Consent Form, for purposes of computing the relevant taxable income subject to the following applicable regular income tax rates: (1) variable rates based on net annual taxable income, the highest of which is 32% of net taxable income of individuals that are Philippine citizens, Philippine residents or aliens engaged in trade or business in the Philippines, (2) 25% final withholding tax for non-resident alien individuals not engaged in trade or business within the Philippines, (3) 30% of the net taxable income of domestic corporations and resident foreign corporations, and (4) 30% final withholding tax for non-resident foreign corporations.

Documentary stamp tax

No documentary stamp tax is imposed in connection with the execution and delivery of the Consent Forms.

7. Governing Law

This Consent Solicitation Statement shall be governed by and construed in accordance with Philippine law.

Consent Solicitation Statement for the SMB Series C Bonds due 2019

The Issuer



**SAN MIGUEL
BREWERY INC.**

A subsidiary of San Miguel Corporation

San Miguel Brewery Inc.

40 San Miguel Avenue, Mandaluyong City, Philippines

Requests for assistance or additional copies of this Consent Solicitation Statement and the Consent Form should be directed to the Trustee or the Advisors and Consent Solicitation Agents at the relevant address, telephone number or email address listed below. The Consent Solicitation Statement and Consent Form may also be downloaded from the Issuer's website at www.sanmiguelbrewery.com.ph. Questions concerning the terms of this Consent Solicitation may be directed to the Advisors and Consent Solicitation Agents at the relevant address, telephone number or email address listed below.

The Trustee for the Bonds is:

BPI ASSET MANAGEMENT AND TRUST CORPORATION

2/F Paseo Wing, BPI Head Office
6768 Ayala Avenue cor. Paseo de Roxas, Makati City

Attention: Jericho D. Lagustan / Raquel G. De Castro / Mary Rose H. Corpuz / Dianne Faith B. Cirunay
(re: SMB Consent Solicitation)

Telephone: +63 2 737 3161; +63 2 737 3164

Email: jdlagustan@bpi.com.ph / rgdecastro@bpi.com.ph / mrhcorpuz@bpi.com.ph / dfbcirunay@bpi.com.ph

The Advisors and Consent Solicitation Agents for the Consent Solicitation are:

ING BANK N.V., MANILA BRANCH

20/F Tower One, Ayala Triangle
Ayala Avenue, Makati City 1226

Attention: Rowena P. Bayoneta (re: SMB Consent Solicitation)

Telephone: +63 2 479 8888

Email: rowena.bayoneta@asia.ing.com

STANDARD CHARTERED BANK

8th Floor 6788 Ayala Avenue
Makati City
Philippines 1226

Attention: Erwein M. Catoto (re: SMB Consent Solicitation)

Telephone: +632 878 2967

Email: Erwein-john.catoto@sc.com

Consent Solicitation Statement for the SMB Series C Bonds due 2019

The Registrar and the Paying Agent for the Bonds is:

Philippine Depository & Trust Corp.
37th Floor, Tower 1, The Enterprise Center
6766 Ayala Avenue corner Paseo de Roxas
Makati City, Philippines

Attention: Josephine F. Dela Cruz/ Patricia Camille Garcia
Telephone: +632 884 4409 / 884 5025 / 884 4431

*The Legal Counsel to the Advisors and Consent Solicitation Agents
for the Consent Solicitation is:*

Picazo Buyco Tan Fider and Santos
Penthouse, Liberty Center
104 H.V. Dela Costa Street
Salcedo Village, Makati City, Philippines