

**MINUTES OF THE
REGULAR STOCKHOLDERS' MEETING
OF GINEBRA SAN MIGUEL INC.**

May 28, 2015 at 2:00 P.M.
Executive Dining Room, SMC Head Office Complex
40 San Miguel Ave., Mandaluyong City

Directors Present:

Eduardo M. Cojuangco, Jr.
Ramon S. Ang
Bernard D. Marquez
Ferdinand K. Constantino
Joseph N. Pineda
Leo S. Alvez
Gabriel S. Claudio
Francisco H. Villaruz, Jr.

Apology:

Minita V. Chico-Nazario

In attendance:

Virgilio S. Jacinto (Corporate Secretary)
Conchita P. Jamora (Asst. Corp. Secretary)
Cynthia M. Baroy (Chief Finance Officer)

Management Committee Members:

Clemente O. Alburo
Nelson S. Elises
Rosalina A. Lioanag
Emmanuel B. Macalalag
Allan P. Mercado
Roxanne Angela B. Millan
Isadora A. Papica
Ronilo Armando S. Sarmiento

I. NATIONAL ANTHEM AND INVOCATION

The Corporate Secretary, Atty. Virgilio S. Jacinto, requested everyone to rise for the National Anthem and to remain standing for the Invocation which was led by Ms. Cynthia M. Baroy, Chief Finance Officer of the Company.

II. CALL TO ORDER/CERTIFICATION ON NOTICE AND QUORUM

The Chairman, Mr. Eduardo M. Cojuangco, Jr., presided and called the meeting to order. Atty. Jacinto recorded the minutes of the proceedings.

Atty. Jacinto confirmed that notices were duly sent to the stockholders of record of the Company and that there was a quorum. He also notified the assembly that there were present in the meeting, in person or by proxy, about 82.51 % of the common shares of stocks and 100% of the preferred shares of stocks of the Company, or about 84.30% of the outstanding capital stock of the Company. Further, he added that proxies covering 84.21% of the outstanding shares of the Company, common and preferred, were issued in favor of and held by the Chairman, authorizing him to vote for the approval of corporate acts that require the conformity of the stockholders.

Atty. Jacinto also advised the stockholders that an open forum will follow the presentation of the Annual Report for 2014 and in order to give them a chance to ask their questions, the stockholders were requested to submit their questions in writing. He added that question forms were available from the ushers and usherettes and that the stockholders should identify themselves in the form. Finally, he said that in answering the questions, written questions submitted in advance would be given preference.

III. APPROVAL OF THE MINUTES OF THE REGULAR STOCKHOLDERS MEETING ON MAY 8, 2014

The Chairman presented the first item in the agenda which is the approval of the Minutes of the Regular Stockholders' Meeting held on May 8, 2014. He informed the stockholders that copies of the Minutes were available at the registration area.

On motion duly made and seconded and there being no objection, the following resolution was approved by the stockholders present and/or represented:

Resolution No. 2015-05-28-01

RESOLVED, that the Minutes of the Regular Stockholders' Meeting of Ginebra San Miguel Inc. held on May 8, 2014, be approved."

IV. PRESENTATION OF THE ANNUAL REPORT

The Chairman proceeded to the next item in the agenda and requested the President of the Company, Mr. Bernard D. Marquez, to present the Annual Report for 2014.

Mr. Marquez presented to the stockholders the Company's Annual Report for 2014. A copy of his report is attached as Annex "A".

After the report, Atty. Jacinto reiterated that for the open forum, written questions submitted in advance will be given priority.

During the open forum, a stockholder asked how the Company was able to turnaround from the losses for the previous year. Mr. Marquez explained that the focus of the Company last year was primarily on enhancing the core business of the Company, which is gin, and the core brand, Ginebra San Miguel. As a result of this, the volume of Ginebra San Miguel grew by 9%. He mentioned, as well, that the Company was able to achieve efficiencies in its Manufacturing Operations and Distillery Operations which resulted to better margins. He said that these two combined factors resulted to a profitable operating income for last year.

Another stockholder inquired how the Company performed in the first quarter and the outlook for the rest of the year. Mr. Marquez replied that the momentum that the Company achieved last year continued to the first quarter of this year. He said that revenues grew 2% against last year and that operating income of Php94 million is more than double that of the same period last year. He also stated that the Company's April-May performance continues to be sustained in terms of growth, and that Management expects performance to be better as the months come by.

As there were no more questions, a stockholder moved to close the open forum and approve and ratify the Annual Report for 2014, as presented.

On motion duly made and seconded and there being no objection, the following resolution was approved by the stockholders present and/or represented:

Resolution No. 2015-05-28-02

"RESOLVED, that the open forum of stockholders be closed and that the Annual Report for 2014 of the Company, as presented, be approved and ratified."

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

The Chairman proceeded to the next item in the agenda, which is the ratification of all acts and proceedings of the Board of Directors and corporate officers since the Regular Stockholders' Meeting held on May 8, 2014 until the date of this meeting.

On motion duly made and seconded and there being no objection, the following resolution was approved by the stockholders present and/or represented:

Resolution No. 2015-05-28-03

"RESOLVED, that all acts, resolutions, and proceedings of the Board of Directors and corporate officers of the Company since the Regular Meeting of the Stockholders held on May 8, 2014 until the date of this meeting as reflected in the minutes of the meetings of the Board of Directors, as well as financial statements and records of the Company be approved, confirmed and ratified."

VI. ELECTION OF DIRECTORS

The Chairman requested the Corporate Secretary, Atty. Jacinto, to read the names of the nominees for election to the Board of Directors of the Company for 2015.

Atty. Jacinto read the names of the following qualified nominees:

1. Eduardo M. Cojuangco, Jr.
2. Ramon S. Ang
3. Bernard D. Marquez
4. Leo S. Alvez
5. Gabriel S. Claudio
6. Francisco S. Alejo III
7. Mario K. Surio
8. Justice Minita V. Chico-Nazario – Independent Director
9. Justice Francisco H. Villaruz, Jr. – Independent Director

The Chairman informed the stockholders that in compliance with the mandatory requirement of the Securities and Exchange Commission for electing Independent Directors, the nominees for election as Independent Directors, who are Minita V. Chico-Nazario and Francisco H. Villaruz, Jr., were disclosed in the Information Statement distributed to the stockholders.

A stockholder moved that considering that the number of directors to be elected is nine (9) and there are only nine (9) nominees, the balloting be dispensed with and that all the nine (9) nominees be considered unanimously elected as Directors of the Company.

On motion duly made and seconded and there being no objection, the following resolution was approved by the stockholders present and/or represented:

Resolution No. 2015-05-28-04

"RESOLVED, that considering that the number of directors to be elected is nine (9) and there are only nine (9) nominees, the balloting be dispensed with and that all the nine (9) nominees be considered unanimously elected as Directors of the Company."

The Chairman, on behalf of Management, welcomed the newly-elected Directors of the Company. He also thanked the stockholders for their vote of confidence.

VII. APPOINTMENT OF EXTERNAL AUDITOR

The Chairman proceeded to the next item in the agenda which is the appointment of the Company's External Auditor for the fiscal year 2015 and requested Independent Director Francisco H. Villaruz, Jr., Member of the Audit Committee, to present the recommendation of the Audit Committee on the matter.

Director Villaruz informed the stockholders that after deliberation and evaluation, the Audit Committee recommends the appointment of the auditing firm of R.G Manabat & Co. as the External Auditor of the Company for fiscal year 2015.

On motion duly made and seconded and there being no objection, the following resolution was approved by the stockholders present and/or represented:

Resolution No. 2015-05-28-05

"RESOLVED, that the auditing firm of R.G. Manabat & Co. be designated as external auditor of the Company for the fiscal year 2015."

IV. ADJOURNMENT

The Chairman asked if there were any other matters or business that the stockholders intend to present to the assembly.

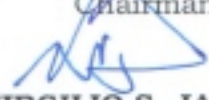
On motion duly made and seconded and there being no objection, the following resolution was approved by the stockholders present and/or represented:

Resolution No. 2015-05-28-06

"RESOLVED, that the 2015 Regular Stockholders' Meeting of the Company be adjourned."

ATTESTED BY:


EDUARDO M. COJUANGCO, JR.
Chairman


VIRGILIO S. JACINTO
Corporate Secretary

GINEBRA SAN MIGUEL INC.
REGULAR STOCKHOLDERS' MEETING
28 MAY 2015

REPORT OF THE CHAIRMAN/PRESIDENT:

Fellow stockholders, ladies and gentlemen,

Good afternoon.

Last year was significant to Ginebra San Miguel Inc. because of two reasons:

- Firstly, we celebrated our flagship brand Ginebra San Miguel's 180th year. It's a milestone we're very proud of as there are not too many brands that can boast of the same longevity.
- Secondly – and perhaps this is far greater reason to cheer, we finally and definitely turned around our business.

After years of losing ground to other brands, Ginebra San Miguel is well and truly back on track, posting 9% volume and revenue growth, our strongest finish since 2011. With Php14.9 billion in revenue, we are close to reversing our entire 2013 loss from continuing operations before taxes of Php1.33 billion pesos to just Php54 million in 2014.

Truly, our thematic campaign, "Ganado sa Buhay", speaks to the confidence we now have in ourselves and the renewed vigor we now bring to our business.

For our 180th year, the brand's heritage value was further strengthened through our anniversary theme, "Kabahagi ng Sambayanang Pilipino." Ginebra is a drink that is an integral part of everyday celebrations and social gatherings—and we are proud of our long association with the Filipino everyman.

To build on our gains, we've implemented programs to enhance distribution capability and coverage--particularly in Luzon. In regions where we have fallen behind, we are steadily crawling back into favor with our core drinkers.

The increase in ad valorem component of excise tax compelled us to increase prices. Much of the improvement in our profitability is attributable to improvements in operating efficiencies. We have reconfigured our sales and distribution channels to optimize selling costs. Our distillery was also configured to yield high efficiencies driving down our alcohol cost. Sources of second-hand bottles were closely monitored reducing our container costs.

Despite improved operating results, the company incurred a net loss of Php766 million pesos mainly due to the recognition of expired tax benefits in 2011 and 2012. Yet, this is still significantly lower than the net loss of Php1.1 billion pesos incurred in 2013.

We have taken greater steps to outdo our 2014 performance and make sure that we don't lose any of our hard fought gains.

We have laid down the groundwork in sustaining volume growth and protecting our market share, particularly in the gin category. As such, we have divested our stake in the non-alcoholic beverage business and sold it to San Miguel

Brewery Inc. Moving forward, we are focusing all we've got on our liquor business.

We are going to be quicker to the draw in introducing new products. We have launched Primera Light as our main brandy offering. We are introducing product innovations to our GSM Blue to renew its appeal to our younger consumers.

The external environment will certainly prove challenging. We expect our costs to be affected by external factors such as annual increases in excise taxes, the effects of biofuel act on the price of molasses and alcohol, and the effects of the ASEAN integration on liberalized imports from the region. We can expect our rivals to be even more aggressive. But we are up to the challenge and are feeling very good about bringing the fight to our competition.

Our first quarter results show first signs of growth for the year as revenues grew 2% generating an operating income double that of the same period last year.

In closing, we would like to extend our appreciation to you, our stockholders, for your continued support. And to the members of the board for their trust and guidance, to the employees for their unwavering dedication—our greatest thanks.

Thank you very much and a pleasant afternoon to all.