

C06271-2018

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C**

**CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER**

1. Date of Report (Date of earliest event reported)
Sep 19, 2018
2. SEC Identification Number
11840
3. BIR Tax Identification No.
000-100-341-000
4. Exact name of issuer as specified in its charter
SAN MIGUEL FOOD AND BEVERAGE, INC.
5. Province, country or other jurisdiction of incorporation
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
23/F The JMT Corporate Condominium, ADB Avenue, Ortigas Center, Pasig City, Metro
Manila
Postal Code
1605
8. Issuer's telephone number, including area code
(632) 317-5000
9. Former name or former address, if changed since last report
N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common (FB)	5,909,220,090
Preferred (FBP2)	15,000,000

11. Indicate the item numbers reported herein
Item 9. Other Events

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.





San Miguel Food and Beverage, Inc.
FB

**PSE Disclosure Form LR-1 - Comprehensive Corporate Disclosure on Issuance of Shares
(Private Placements, Share Swaps, Property-for-Share Swaps
or Conversion of Liabilities/Debt into Equity)
Reference: Rule on Additional Listing of Securities**

Subject of the Disclosure

Additional listing of the San Miguel Food and Beverage, Inc. (SMFB or the "Company") common shares subject of the share-for-share swap with San Miguel Corporation (SMC).

Background/Description of the Disclosure

Additional listing of the new SMFB common shares (the "New Shares") issued to SMC as a result of the share swap transaction involving SMC's common shares in San Miguel Brewery, Inc. (SMB) and Ginebra San Miguel, Inc. (GSMI) (collectively, the "Exchange Shares")

Date of Approval by Board of Directors

Nov 3, 2017

Comprehensive Corporate Disclosure

Description of the proposed transaction including the timetable for implementation, and related regulatory requirements

The share swap transaction involves the issuance by the Company of 4,242,549,130 New Shares to SMC, and as consideration or in payment for the New Shares, SMC will transfer to the Company its 7,859,319,270 common shares in SMB and 216,972,000 common shares in GSMI, with the combined value amounting to P336,349,294,992.60.

The issuance of the New Shares to SMC and the conveyance and transfer of the Exchange Shares to the Company was made subject to and conditioned upon the approval of the Securities and Exchange Commission ("SEC") of the application for increase in the authorized capital stock of the Company.

Rationale for the transaction including the benefits which are expected to be accrued to the listed issuer as a result of the transaction

The share swap transaction implements the the internal restructuring of the San Miguel Group of Companies to consolidate its food and beverage businesses under the Company (formerly known as San Miguel Pure Foods Company, Inc.) (the "Restructuring").

The rationale and benefits of the Restructuring include (1) the creation of a significant consumer food and beverage vertical market under SMC, (2) investors in SMC will be provided a visible valuation benchmark for SMB and GSML to support SMC's sum of parts valuation, (3) public investors will be provided direct access to SMC's food and beverage business via the Company, and (4) the substantial deepening of the trading liquidity of the Company and the broadening of the Company's shareholder base towards institutional and retail investors.

The aggregate value of the consideration, explaining how this is to be satisfied, including the terms of any agreements for payment on a deferred basis

The aggregate value of the New Shares, which will be issued out of the increase in the Company's authorized capital stock, is Php336,349,294,992.60. This will be satisfied by the transfer by SMC of the Exchange Shares to the Company upon closing of the Share Swap Transaction.

The basis upon which the consideration or the issue value was determined

The issue value was the result of an independent valuation analysis conducted by ING Bank, N.V., the Company's independent financial advisor, on the price per share of the Company, SMB and GSML using a discounted cash flow approach and validated by trading and transaction comparables.

Detailed work program of the application of proceeds, the corresponding timetable of disbursements and status of each project included in the work program. For debt retirement application, state which projects were financed by debt being retired, the project cost, amount of project financed by debt and financing sources for the remaining cost of the project

The proceeds to be received by the Company from the Share Swap Transaction are all of SMC's common shares in SMB and GSML. Closing will be upon the actual crossing of shares at the Exchange. (Please also see discussion above in Description of the proposed transaction including the timetable for implementation, and related regulatory requirements.)

Upon completion of the Share Swap Transaction, the Company shall be transformed into the F&B holding company of SMC, with SMB and GSML becoming subsidiaries of the Company. The Company shall own at least 51.16% of SMB and at least 78.26% of GSML. On the other hand, the percentage ownership of SMC in the total issued and outstanding common stock of the Company shall increase from 85.37% as of September 30, 2017, to 95.87% upon closing of the Share Swap Transaction.

Identity and/or corporate background of the beneficial owners of the shares subscribed, including the following

Beneficial Owners/Subscribers	Nature of Business	Nature of any material relationship with the Issuer and the parties to the joint venture, their directors/officers or any of their affiliates
San Miguel Corporation	Manufacturing food, beverage, packaging, fuel & energy, power, infrastructure,	San Miguel Corporation is the parent company of San Miguel Food and Beverage, Inc.

Organizational/Ownership Structure of Subscribers

Beneficial Owners/Subscribers	Controlling Shareholders of Subscribers	Number of Shares Held	%
San Miguel Corporation	Top Frontier Investment Holdings, Inc.	1,573,100,340	40.81

For subscribers with no track record or with no operating history: the Subscriber must present a statement of active business pursuits and objectives which details the step undertaken and proposed to be undertaken by the Issuer in order to advance its business. Projected financial statements shall only be required should there be references made in the Statement to forecasts or targets

Not applicable.

The interest which directors of the parties to the transaction have in the proposed transaction

None.

Statement as to the steps to be taken, if any, to safeguard the interests of any independent shareholders

The affirmative vote of at least a majority of the minority common shareholders present in the special stockholders' meeting of SMFB on January 18, 2018, in person or by proxy, was obtained to waive the conduct of a rights or public offering of the New Shares to be issued to SMC pursuant to the share swap transaction, to enable the Company to comply with the listing rules of the PSE for the listing of the subject shares, inasmuch as the New Shares will amount to more than 10% of the resulting issued and outstanding capital stock of the Company.

Any conditions precedent to closing of the transaction

The issuance of the New Shares to SMC and the conveyance and transfer of the Exchange Shares to the Company was made subject to and conditioned upon the approval of the SEC of the application for increase in the authorized capital stock of the Company. On 29 June 2018, the SEC approved the amendment to Article VII of the Company's Articles of Incorporation increasing the amount of capital stock of SMFB to TWELVE BILLION PESOS (P12,000,000,000.00), Philippine Currency, divided into ELEVEN BILLION SIX HUNDRED MILLION (11,600,000,000) common shares with a par value of ONE PESO (P1.00) each, and FORTY MILLION (40,000,000) preferred shares with a par value of TEN PESOS (P10.00) per share.

Change(s) in the composition of the Board of Directors and Management

Please refer to the disclosure of the Company to the PSE dated 5 July 2018 and 8 August 2018 on the changes in directors and/or officers of the Company.

Effects on the following

Ownership structure

Principal Shareholders	Before		After	
	Number of shares	%	Number of shares	%
San Miguel Corporation	1,422,792,670	85.37	5,665,341,800	95.87

Capital structure

Issued Shares

Type of Security /Stock Symbol	Before	After
Common/FB	1,708,748,540	5,951,297,670
Preferred/FBP2	30,000,000	30,000,000

Outstanding Shares

Type of Security /Stock Symbol	Before	After
Common/FB	1,666,670,960	5,909,220,090
Preferred/FBP2	15,000,000	15,000,000

Treasury Shares

Type of Security /Stock Symbol	Before	After
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Common/FB	42,077,580	42,077,580
Preferred/FBP2	15,000,000	15,000,000

Listed Shares

Type of Security /Stock Symbol	Before	After
Common/FB	1,708,748,540	5,951,297,670
Preferred/FBP2	15,000,000	15,000,000

Effect(s) on the public float, if any	Percentage of public float decreased to 4.12% as a result of the issuance to and subscription by SMC to the New Shares.
Effect(s) on foreign ownership level, if any	Percentage of foreign ownership decreased to 1.2% as a result of the issuance to and subscription by SMC to the New Shares.

Other Relevant Information

The amendments made to the disclosure involve the completion of the share swap transaction upon the approval by the SEC of the increase in capital stock of SMFB and its issuance of the New Shares to SMC. Following the issuance of the New Shares, the Company filed with the PSE in the late afternoon of September 19, 2018 the Application for Listing of Stocks relating to the New Shares issued to SMC.

We also corrected the number of preferred shares issued and in the treasury to 30 million shares and 15 million shares, respectively, to include the Series 1 preferred shares in the Company's treasury, which have been previously issued and redeemed by the Company in 2015.

Filed on behalf by:

Name	Alexandra Trillana
Designation	Corporate Secretary and Compliance Officer