



26 January 2011

DISCLOSURE DEPARTMENT

The Philippine Stock Exchange, Inc.

3/F Tower One and Exchange Plaza

Ayala Triangle, Ayala Avenue

Makati City

Attention : **JANET A. ENCARNACION**
HEAD, Disclosure Department

Re : **Board Approval of Equity Fund Raising Consisting of a Placing
and Subscription Transaction**

Dear **Ms. Encarnacion**,

Please be advised that in the regular meeting held today, 26 January 2011, the Corporation's Board of Directors duly approved the following matters:

A. EQUITY FUND RAISING

Equity fund raising of the Company consisting of a placing and subscription transaction to be implemented in two concurrent stages comprising of (a) the offer and sale by existing shareholder/s not exceeding 450 million of their existing shares in the Corporation (the "placement tranche"); and (b) as part of the transaction, the subscription by the selling shareholder/s and the issuance by the Corporation to the selling shareholders, of unissued common shares at most in the same number and share price as the shares sold in the placement tranche (the "subscription tranche"), with such new common shares being listed as soon as practicable thereafter.

The aforementioned placing and subscription transaction as well as the authority of the Board of Directors to implement the placing and subscription transaction will also be submitted for approval by the stockholders of the Corporation during the stockholders' meeting scheduled on 27 January 2011. Such authority of the Board of Directors includes the fixing of the offer price of up to the prevailing market price for the shares in the Philippine Stock Exchange as may be agreed with the Lead Manager. Consequently, the subscription price of the new shares to be issued to the selling stockholder/s shall be equivalent to the placing price. The offer price may be adjusted to account for the expenses of the offer.

B. DECLARATION OF PROPERTY DIVIDEND CONSISTING IN SWIFT FOODS, INC.
SHARES

Declaration of 69,622,985 convertible preferred shares of the Corporation in Swift Foods, Inc. (SFI) out of the 139,245,969 convertible preferred shares of the Corporation as property dividend. The property dividend will be in the form of one (1) convertible preferred shares of SFI, at a value per share of P6.01, for every 45 shares of RFM Corporation held by the stockholder, but no fractional shares will be issued by the Corporation. The record date and issuance date shall be announced by the Corporation upon approval by the Securities and Exchange Commission of the property dividend declaration.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Rowel S. Barba', with a large, stylized initial 'R'.

ROWEL S. BARBA
Corporate Information Officer
VP, Head - Corporate Legal
& HR Divisions

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