SAN MIGUEL CORPORATION

May 11, 2010

Philippine Stock Exchange
Disclosure Department
Listing and Disclosure Group
4thFloor, Philippine Stock Exchange Center
Exchange Road, Ortigas Center
Pasig City

Attention: **Ms. Janet A. Encarnacion**
Head - Disclosure Department

Gentlemen:

We write with respect to the news article entitled "Cojuangco unloading stake in San Miguel," posted on Inquirer.net on May 10, 2010. The Article reported in part that:

> "TYCOON EDUARDO "DANDING" COJUANGCO, JR. has made plans to unload his entire 15-percent equity interest in San Miguel Corp. in favor of trusted allies, boosting expectations that the 74-year old businessman may soon bow out as chair of the diversifying food and beverage conglomerate.
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> Based on a recent regulatory filing, 44 corporate stockholders have signed an agreement giving Top Frontier Investment Holdings, Inc. an option within two years to buy a total of 493.37 million shares in San Miguel for about P37 billion. A check with official company documents showed that the selling companies were all part of the Cojuangco or "ECJ" group of companies…."

We advise that based on the documents submitted by Top Frontier Investment Holdings, Inc. ("Top Frontier") to the Securities and Exchange Commission in connection with the tender offer initiated by Top Frontier for common shares of stock of the Company, copies of which were likewise provided by Top Frontier to the Company, forty four (44) corporations associated with Mr. Eduardo M. Cojuangco, Jr., Chairman and Chief Executive Officer of the Company, executed an agreement with Top Frontier granting the latter an exclusive option to acquire a total of 493,375,183 common shares of the Company until November 19, 2012, at an option price of Seventy Five Pesos (P75.00) per share.

Very truly yours,

FERDINAND K. CONSTANTINO
Corporate Information Officer