SAN MIGUEL CORPORATION

May 14, 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 "SMC eyes 'multiple deals' this year," posted on Business Mirror Online Space on May 13, 2010. The Article reported in part that:

> "CONGLOMERATE San Miguel Corp. (SMC) hopes to conclude multiple deals selling significant stakes in its core businesses this year, a top official said. This, as the firm is eyeing to complete "very soon" its next big-ticket investment in the power sector by taking a majority stake in a $2-billion company. "We are hoping to take 60 percent right away. We are in the final stages of negotiation. It is related to Petron Corp. [and] has a very good energy company with very good cash flow," said president Ramon Ang, during an informal chat with reporters. Ang said SMC has already received interest from its Japanese partner, Nihon Yamamura Glass Co. Ltd., which is seeking to increase its 35-percebt stake in San Miguel-Yamamura Packaging Corp. to as much as 49 percent. He said SMC could gain about $100 million from the sale of its 14-percent stake in the packaging firm… The company is presently working on a plan to consolidate Ginebra under San Miguel Brewery this year. Due to its diversification strategy, San Miguel will likely see recurring income grow 30 percent this year."

We confirm that the statements of Mr. Ramon S. Ang, President and Chief Operating Officer of the Company, relating to: (i) the contemplated investment by the Company of a majority stake in a $2 Billion company in the power sector, (ii) the sale to Nihon Yamamura Co. Ltd. of an additional equity stake in San Miguel-Yamamura Packaging Corporation and (iii) the plan to consolidate Ginebra San Miguel into San Miguel Brewery, Inc., as reported in the aforequoted news article, are accurate.

Very truly yours,

FERDINAND K. CONSTANTINO
Corporate Information Officer