SAN MIGUEL CORPORATION

October 11, 2010

The Philippine Stock Exchange, Inc.
Disclosure Department
3rd Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

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

Gentlemen:

We refer to your letter dated October 11, 2010, with respect to the news article entitled "SMC buys into Tampakan," posted on the Manila Standard Today on October 9, 2010, which reported in part that:

> "…Indophil said in a disclosure to the Australian Stock Exchange that it agreed to make a $40-million share placement at A$0.86 a piece to San Miguel…. San Miguel president Ramon Ang confirmed the acquisition in a text message Friday. The transaction is expected to be completed by October 15, 2010… Indophil also agreed to a binding exclusivity period until January 10, 2011 with San Miguel in which the food and beverage giant will complete due diligence on Indophil and decide whether to submit a control proposal…"

We confirm that: (i) the share placement is expected to be completed by October 15, 2010 (ii) and the Company has an exclusivity period, up to January 10, 2011, to conduct legal and financial due diligence on Indophil.

Very truly yours,

FERDINAND K. CONSTANTINO
Corporate Information Officer