SAN MIGUEL CORPORATION

January 20, 2011

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:

Please be advised that the following items were approved at the Board of Directors' meeting held on January 20, 2011:

1. Election of Independent Director

The Company announces that Director Pacific M. Fajardo who tendered his resignation as a member of the Board effective January 20, 2011 to attend to his personal businesses.

In the meeting of the Board of Directors held on January 20, 2011, former Chief Justice Reynato S. Puno was elected as an independent director of the Company.

Former Chief Justice Puno has all the qualifications and none of the disqualifications set forth in the SMC By-Laws and the SMC Manual of Corporate Governance. With the election of Chief Justice Puno, there are now three independent directors in the Company's Board of Directors.

Former Chief Justice Reynato S. Puno served as the Chief Justice of the Supreme Court from December 6, 2006 until his retirement on May 17, 2010. He joined the Court as an Associate Justice on June 1993 and was previously Associate Justice of the Court of Appeals (1986 to 1993), Appellate Justice of the Intermediate Appellate Court (1983), Assistant Solicitor General (1974-1982) and City Judge of Quezon City (1972-1974). He has also served as Deputy Minister of Justice from 1984-1986. He completed his Bachelor of Laws from the University of the Philippines in 1962, and has a Master of Laws degree from the University of California in Berkeley (1968) and a Master in Comparative Law degree from the Southern Methodist University, Dallas, Texas (1967).

2. Promotion

In the same meeting, the Board of Directors approved the appointment of Ms. Aurora T. Calderon as Senior Vice President – Senior Executive Assistant to the President and Chief Operating Officer.

Ms. Calderon is a consultant of San Miguel Corporation reporting to the Chief Operating Officer since 1998. She is also a member of the Board of Directors of Petron Corporation, Petron Marketing Corporation, Petron Freeport Corporation, SMC Global Power Holdings Corporation, Sea Refinery Corporation, Thai San Miguel Liquor Co., Ltd., New Ventures Realty Corporation, Las Lucas Construction and Development Corp., and Kankiyo Corporation. She is the President and a director of Total Managers, Inc. and was a director of the Manila Electric Company (2008-2009). She is also the Treasurer of Top Frontier Investment Holdings, Inc. Prior to her appointment, Ms. Calderon has been a senior consultant of the Company. A certified public accountant, Ms. Calderon graduated from the University of the East with a degree in Bachelor of Science in Business Administration, major in Accountancy, magna cum laude, and completed all academic requirements for an MBA from the Ateneo de Manila University in 1981. Currently Ms. Calderon does not own shares of the Company.

3. Cash Dividend Declaration

At the regular meeting of the Board of Directors of the Company held on January 20, 2011, the Board declared cash dividends for Series "1" preferred shares at P1.50 per share, payable on February 18, 2011 for Series "1" preferred shares stockholders of record as of February 4, 2011. The stock and transfer books of the Company will be closed from February 5 to 11, 2011.

4. Penalty Payment

On January 20, 2010, the Company paid to the Securities and Exchange Commission the amount of Two Million Five Hundred Thousand Four Hundred Seventy Four and 60/100 Pesos (P2,544,474.60) as penalty for late filing of SEC Form 23-B. This penalty arose from the stock dividend declaration of San Miguel Pure Foods Company, Inc. (SMPFC) which resulted in the change in the ownership of the Company in SMPFC. SMPFC, being a publicly listed company, was mandatorily required to lodge the shares corresponding to the stock dividend declaration as a pre-condition to listing, which lodgment did not result in the change in the extent of the ownership of the Company until the said shares were uplifted.

Very truly yours,

FERDINAND K. CONSTANTINO
Corporate Information Officer