



SAN MIGUEL CORPORATION

January 27, 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:

We refer to your letter dated January 27, 2011, with respect to the news article entitled "SMC pursues record P250-billion share sale," posted in the PhilSTAR.com on January 27, 2011. The article reported in part that:

"MANILA, Philippines – Diversifying conglomerate San Miguel Corp. (SMC) is pursuing its planned equity offering this quarter to mark the nation's biggest ever share sale with proceeds estimated to reach as much as P250 billion.. On the sidelines of the launch of the Philippine Stock Exchange's new trading system yesterday, San Miguel President and Chief Operating Officer Ramon S. Ang said the Company has already tapped Credit Suisse Group and Standard Chartered Bank as joint lead underwriters for the proposed share sale. Ang said the shares might likely be sold at a price ranging from P150 to P250 a piece, depending on market conditions...."

We advise that the statements of Mr. Ramon S. Ang, President and Chief Operating Officer of the Company, relating to the contemplated equity offering of the Company, as reported in the aforementioned article are accurate. The estimated offer price range of the shares is based on the aggregate enterprise value of the existing core businesses, new investments and future business prospects of the Company, and the amount of Two Hundred Fifty Pesos (P250.00) per share is the high-end of such price range.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer