



SAN MIGUEL CORPORATION

January 21, 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 21, 2011, with respect to the news article entitled "San Miguel's P250-target," posted in the Manila Standard Today on January 21, 2011. The article reported in part that:

"SAN MIGUEL's gung-ho president Ramon Ang told reporters in November that the country's biggest conglomerate was planning a secondary offering at P150 to P200 a share, when SMC common was trading at the P90 level. That price target has apparently been discarded. The latest estimate, according to the SMC grapevine, is that Ang and his unnamed investment adviser/s are now looking at pricing the offering, essentially a re-IPO, at a whopping P250 a share... In any case, the plan to sell one billion shares possible this first quarter would increase the public float of the country's conglomerate from the current 8.1 percent to a more widespread 40 percent..."

We confirm that the statements of Mr. Ramon S. Ang, President and Chief Operating Officer of the Company, relating to the contemplated secondary offering of shares of stock of the Company, at a price range of P150.00 – P200.00, as reported in the aforementioned article is accurate. Such secondary offering was the subject of our previous disclosures to the Exchange dated November 4, 2010 and November 19, 2010, respectively. As we conveyed to the Exchange, the price range (P150.00 – P200.00) is based on the aggregate enterprise value of the existing core businesses, new investments and future business prospects of the Company, and the said secondary offering is projected to increase the public float of the Company. The Company is not privy to nor aware of the basis for the "P250.00 a share" reported in the said article.

By way of clarification, we advise that the Company is compliant with the minimum public ownership requirements of the Securities and Exchange Commission and the Exchange. As reflected in the Minimum Public Ownership Report filed by the Company on January 11, 2011, the public float of the Company is approximately 13%.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer