



SAN MIGUEL CORPORATION

April 25, 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 April 25, 2011 with respect to the news article entitled "EXCLUSIVE: SMC offers to privatize Naia 3" posted in the BusinessMirror on April 24, 2011. The article reported in part that:

"Conglomerate San Miguel Corp. (SMC) has offered to privatize the controversial Ninoy Aquino International Airport Terminal 3 (Naia 3), effectively launching a private sector intervention aimed at settling a long-running dispute that continues to prevent the airport from being fully operational.

SMC made its intention known through unit Philco Aero Inc., a local company with Korean partners, which directed the privatization plan to President Aquino and the Manila International Airport Authority (MIAA), a letter of interest obtained by BusinessMirror showed."

We advise that the Company may participate in the privatization of the Ninoy Aquino International Airport Terminal 3 in the event the Government conducts a public bidding for the said infrastructure-related project. As we have previously disclosed to the Exchange, the Company intends to actively pursue the Public-Private Partnership programs initiated by the Government.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer