



SAN MIGUEL CORPORATION

April 12, 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 12, 2011 with respect to the news article entitled, "SMC to form holding firm for entry into telecoms," posted in philSTAR.com on April 12, 2011. The article reported in part that:

"MANILA, Philippines – San Miguel Corp. (SMC) plans to create a holding company for all its telecommunications interest as the group prepares for its "grand" entry into the fiercely competitive telecom field, a top company official said.

"That is the intention, to create a holding company for our telco business," SMC President and Chief Operating Officer Ramon S. Ang told The STAR on the sidelines of yesterday's SMC investors' briefing...."

We confirm that the statements of Mr. Ramon S. Ang, President and Chief Operating Officer of the Company, relating the contemplated establishment of a holding company which shall be the vehicle for the implementation of the Company's strategies and business plans with regard to its telecommunications business, as quoted in the aforementioned article, are accurate.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer