



SAN MIGUEL CORPORATION

May 4, 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 informed that Credit Suisse (Hongkong) Limited, acting as Stabilization Agent in the secondary offer of the common shares of stock San Miguel Corporation covered by the Final Offering Circular, dated April 20, 2011, (the "Offer") has exercised the over allotment option consisting of 7,880,000 common shares of the Company, solely to cover over-allotments under the Offer, if any. The offer price of the common shares was priced at P110.00 per share on April 20, 2011.

Any stabilization action is expected to commence on May 5, 2011 and end on May 20, 2011, and shall be conducted in accordance with all applicable laws, rules and restrictions imposed by the Securities and Exchange Commission (the "Commission"), pursuant to the Letter-Authorization issued by the Commission, dated April 19, 2011, a copy of which is attached hereto for reference purposes. The Philippine Stock Exchange (PSE) shall be furnished with copies of any report submitted to the Commission relating to stabilization activities conducted by the Stabilization-Agent through the Information Officer of the Company, transmitted to the PSE via Odyssey.

A copy of the SEC Form 17-C on the same disclosure was filed with the Securities and Exchange Commission today (copy attached).

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer

COVER SHEET

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S. E. C. Registration Number

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(Company's Full Name)

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(Business Address: No. Street City/Town/Province)

Atty. Mary Rose S. Tan

Contact Person

(632) 632-3000

Company Telephone Number

SEC FORM

1	2
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Month

3	1
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Day

1	7	-	C		
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FORM TYPE

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Month

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Day

Annual Meeting

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

LCU

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Document I. D.

Cashier

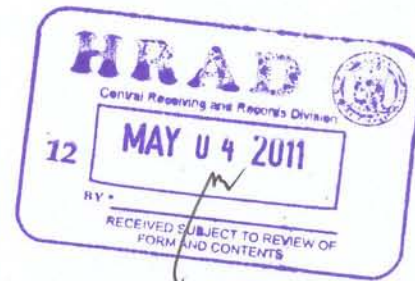
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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE (SRC) AND SRC RULE 17(b)(3) THEREUNDER



1. **May 4, 2011**
Date of Report (Date of earliest event reported)
2. SEC Identification No. **PW 00000277**
3. BIR Tax Identification No. **000-060-741-000**
4. **SAN MIGUEL CORPORATION**
Exact name of registrant as specified in its charter
5. **Philippines**
(Province, country or other jurisdiction of Incorporation)
6. (SEC Use Only)
Industry Classification Code
6. **No. 40 San Miguel Avenue, Mandaluyong City, Metro Manila**
(Address of principal office)
- 1550**
(Postal Code)
7. **(632) 632-3000**
(Registrant's telephone number, including area code)
8. **N/A**
(Former name or former address, if change since last report)
The Registrant has not changed its address since its last report to this Honorable Commission.
9. Securities registered pursuant to Sections 8 and 12 of SRC

Title of Each Class	Outstanding as of March 31, 2011
Common Shares	2,331,973,215
Series "1" Preferred Shares	<u>970,506,353</u>
TOTAL	<u>3,302,479,568</u>

10. Indicate the item numbers reported herein: **Item 9**

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[End]

Pursuant to the requirements of the Securities Regulation Code, the registrant duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SAN MIGUEL CORPORATION

By:



Virgilio S. Jacinto
Corporate Secretary

May 4, 2011



REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
SEC Bldg. EDSA, Greenhills, Mandaluyong City
Telephone No.: (+632) 584-5703 / Email: mrd@scc.gov.ph

MARKET REGULATION DEPARTMENT

19 April 2011

SYCIP SALAZAR HERNANDEZ & GATMAITAN

SyCipLaw Center, 105 Paseo de Roxas
Makati City 1226
Metro Manila, Philippines
Fax No.: (632) 817-3896

Attention: **MR. JOSE PERPETUO M. LOTILLA**

Subject: **Proposed Over-allotment Option and Stabilizing Activities in
the Stock Offering of San Miguel Corporation**

Gentlemen:

This refers to your letter received by this Department on 05 April 2011 relative to the secondary offering of common shares of San Miguel Corporation ("SMC") by SMC and Top Frontier Investment Holdings, Inc. ("TF") (the "SMC Offer") wherein you represent the Joint Book Runners for this activity. Your firm is requesting this Commission's approval of the proposed over-allotment and stabilization program (the "Stabilization Program") in respect of the SMC Offer.

In further support of your request, you represented in your letter that:

- (1) SMC will also advise this Commission of the Offer Price range per share as soon as this is determined and that the Offer Price will be determined after the conduct of bookbuilding activities by the Joint Book Runners which is expected to be completed sometime on or around April 21, 2011.
- (2) The Stabilization Program will consist of a series of discretionary share purchases and sales by the Stabilization Manager to stabilize a falling share price during the 30-day period following the crossing of the SMC Shares that would, at a certain level, minimize short-term price fluctuations and ultimately facilitate the successful placement of shares.
- (3) At all times, the Stabilization Manager intends to follow the price stabilization rules (including with respect to market disclosure, record keeping and restrictions on purchase price) promulgated by the Financial Services Authority, the regulator of the financial services industry in the United Kingdom, and related market practice, and that only the Stabilization Manager has been granted the right to conduct the Stabilization activities.

- (4) The grant and exercise of an over-allotment option, including a stabilization program, is a general practice in Initial Public Offerings ("IPOs") in many jurisdictions, including Hong Kong, Singapore, the United Kingdom, and the United States, and that, in this respect, Section 24 of the Securities Regulation Code authorizes this Commission to permit certain arrangements for price stabilization, as has been granted in the past in IPOs and where there was a secondary offer of shares.

Through a separate letter dated April 14, 2011, which our Department received on April 18, 2011, you informed us that the aggregate amount of the offering of shares to be made in the Philippines and internationally, and the exchangeable bond offering which will be conducted outside the Philippines is expected to be approximately US\$850 Million. Furthermore, you made a representation that the stabilization manager will be Credit Suisse (Hong Kong) Limited and the holder of the over-allotment option will be Credit Suisse (Singapore) Limited.

In this regard, please be informed that we will allow Credit Suisse (Hong Kong) Limited to conduct the stabilization activity in connection with the SMC offering in accordance with the following guidelines:

1. Purchases or offers to purchase shares by Credit Suisse (Hong Kong) Limited, as stabilization agent, shall be for the sole purpose of preventing/minimizing reduction in market prices of the shares;
2. The stabilization period shall be for 30 calendar days from the date of the Final Prospectus and/or Offering Circular;
3. The over-allotment amount shall not exceed 15% of the base number of shares to be sold by SMC and TF in the base offering;
4. Credit Suisse (Hong Kong) Limited, or its relevant affiliate shall be the only manager for the stabilizing action;
5. Initial stabilizing action shall be at a price of no greater than the initial offer price;
6. The price of subsequent stabilization activities shall be as follows:
 - a. After the initial stabilizing action, and if there has not been an independent trade in the market at a higher price than the initial stabilization trade, the subsequent trade shall be at or below the initial offer price or the initial stabilizing price, whichever is lower; and
 - b. After the initial stabilizing action, and if there has been an independent trade in the market at a higher price than the initial stabilization trade, the subsequent trade shall be at or below the lower of the initial offer price or the independent trade price.

For this purpose, *independent trade* shall mean any trade made by any person other than stabilization agent/manager.

7. The over-allotment and the over-allotment option shall be fully described in the Prospectus and other public announcements as required;
8. Records of all stabilizing activity during the 30-calendar day stabilizing period shall be maintained, including details of each stabilizing transaction;
9. There shall be a public announcement a day after the exercise of the over-allotment option including the total number of shares and average price of any stabilization trades or a day after the close of the 30 day over-allotment period if there was no stabilization activity undertaken;
10. There shall be a weekly disclosure to the Commission of any price stabilization activity conducted during the 30 calendar day stabilization period from the date of the actual listing with the PSE or commencement of trading in those shares; and
11. Within the 30 calendar day stabilization period, there shall only be buying of shares from the market by Credit Suisse (Hong Kong) Limited as stabilization agent when the share price has fallen below the offer price in order to prevent undue price volatility and to allow the share price to trade down in an orderly fashion to a market-accepted level.

For your strict compliance.

Very truly yours,



JOSE P. AQUINO
Director