



SAN MIGUEL CORPORATION

May 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 May 12, 2011 with respect to the news article entitled: "Globe, Liberty in negotiations; Phoenix is Customs' latest 'victim'" published in the May 12, 2011 issue of the Manila Standard Today. The article reported in part that:

"Conglomerate Ayala Corp and food and drinks giant San Miguel Corp. also in talks for some cooperation between Globe Telecom, Inc. and Liberty Telecoms Holdings, Inc. their respective telecoms units. A source privy to the negotiations told this writer that such cooperation could include a merger between Globe and Liberty."

By way of response to the Exchange, we advise that the Company is not in talks with Globe Telecom, Inc. and Ayala Corp.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer