



SAN MIGUEL CORPORATION

May 3, 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 3, 2011 with respect to the news article entitled "SMC completes \$1-B offer," posted in the BusinessMirror (Internet Edition) on May 1, 2011. The article reported in part that:

"CONGLOMERATE San Miguel Corp. (SMC) and its controlling shareholder have completed a common share and exchangeable bond sale that raised close to \$1 billion, deal arrangers said as the offer period officially ended on Friday.

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The domestic share sale, including overallocments, raised about \$150 million, said Eduardo Francisco, president of BDO Capital and Investment Corp., one of bookrunners, in a phone interview.

The domestic offering was composed of 31.52 million common shares with an option to sell another 27.58 million shares at the offer price of P110 each to cover excess demand.

An international bookrunner on Friday likewise confirmed that a 10-percent overallocment option was exercised during the overseas share offer allowing them to raise over \$270 million from selling 86.68 million common shares.

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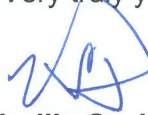
Francisco reiterated that the domestic oversubscription of at least two times was due to the "attractive" pricing of the shares of P110 each, or a 28-percent discount to SMC's last traded price of P153 per share.

Reports of oversubscription among individual domestic stock brokerage firms were disproportionately larger, with some claiming that demand exceeded seven time their allotment.

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We advise that the extent of the total amount raised from the offer by the Company and Top Frontier Investment Holdings, Inc. of common shares and the issuance of exchangeable bonds has not yet been determined as of date hereof. The final reports relating to such offer have not yet been received by the Company from the designated global coordinators and bookrunners.

Very truly yours,



Virgilio S. Jacinto
Corporate Secretary