



SAN MIGUEL CORPORATION

August 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:

Please be advised of the following corporate actions approved by the Company's Board of Directors in its meeting held on August 12, 2011:

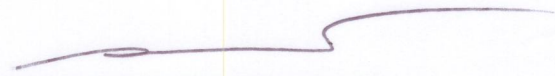
- a) Sale of the Company's shares in Manila Electric Company

The Board approved the sale to San Miguel Pure Foods Company, Inc. (SMPFC) of fifty nine million ninety thousand nine hundred nine (59,090,909) shares of stock of Meralco at Two Hundred Twenty Pesos (P220.00) per share. The purchase price of the shares is based on the average trading price of Meralco for the period January 1, 2011 to July 31, 2011, with a discount of 12%. The shares sold by the Company to SMPFC form part of the shares bought from the Government Service Insurance System. The Company has fully paid the purchase price of these shares to GSIS and have been crossed in the Philippine Stock Exchange on August 5, 2011.

- b) Initial Public Offering of SMC Global Power Holdings Corp.

Further, please be advised that SMC Global Power Holdings Corp. ("SMC Global") shall be conducting an initial public offering towards the latter part of the year. Further disclosures shall be made by the Company in connection with the said IPO. In connection with the IPO of SMC Global, the Board of Directors of the Company approved on August 12, 2011 the reorganization of the power business, and increase in the authorized capital stock of SMC Global.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer