SAN MIGUEL CORPORATION

October 24, 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 October 24, 2011, with respect to the news article entitled "Cocktales column," published in the October 24, 2011 issue of the Manila Standard Today. The article reported in part that:

> "San Miguel president Ramon Ang wants to eventually fold Eastern Telecom into listed Liberty Telecom Holdings Inc. once the sequestration issue of the minority bloc of the Africa family, among other concerns, shall have been resolved. "

By way of response to the above-captioned newspaper account, we advise that the Company is evaluating the possible options for the implementation of an appropriate structure for the pursuit of its telecommunications business. An appropriate disclosure shall be made to the Exchange upon completion of such evaluation.

Very truly yours,

FERDINAND K. CONSTANTINO
Corporate Information Officer