



SAN MIGUEL CORPORATION

December 29, 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 December 28, 2011 with respect to the news article entitled: "SMC sells Bataan power plant," posted in the Inquirer.net on December 28, 2011. The article reported in part that:

"MANILA, Philippines – SMC Global Holdings Corp., the power generation unit of conglomerate San Miguel Corp., has sold its 620-megawatt combined cycle power plant in Limay, Bataan, to the privately owned Millenium Holdings Inc.

A company document showed that SMC Global had approved the sale of its 100-percent stake in Panasia Energy Holdings Inc., a wholly-owned subsidiary of San Miguel, to Millenium Holdings, after which a share purchase agreement was later signed between the parties."

Further to our disclosure on October 3, 2011, we confirm that the news report relating to the sale by SMC Global Power Holdings Corp. of 100% of its shareholdings in Panasia, the owner and operator of the Limay Power Plant to Millenium Holdings Corp., is accurate.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer *ma*