



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 29, 2011 with respect to the news article entitled: "San Miguel eyes majority stake in 42-km STAR," posted in the Inquirer.net on December 29, 2011. The article reported in part that:

"San Miguel Corp. is beefing up its road portfolio with a plan to acquire a majority stake in the 42-kilometer Southern Tagalog Arterial Road (STAR) in Batangas.

SMC and its partner tollway projects, the Citra group of Indonesia, are now finalizing a plan to invest in the toll road concession operated by STAR Tollways Corp. and finance the multibillion-peso upgrading of the tollway that runs from Santo Tomas, Batangas, to the Batangas Port.

"Yes (SMC) will invest in STAR," SMC president Ramon S. Ang told the Inquirer, adding that the conglomerate would get a "majority" stake in the tollway south of Luzon."

We confirm that the Company is in talks with the Citra Group of Indonesia in connection with its contemplated investment in the Star Tollway Project.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer