



SAN MIGUEL CORPORATION

January 30, 2012

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 January 30, 2012 with respect to the news article entitled: "SMC Can Buy Gov't Preferred Shares in Exchange For Common," posted in The Manila Bulletin Newspaper Online on January 28, 2012. The article reported in part that:

"MANILA, Philippines – San Miguel Corporation (SMC) may consider buying back the preferred shares it had issued to the government for the state's common shares in the company.

In a mobile phone message, SMC president Ramon S. Ang said "SMC can" when asked if SMC or its top shareholder Top Frontier would be interested in the government's plan to divest from SMC.

In a message to Bloomberg News, Finance undersecretary John Philip Sevilla said the government is considering the sale of its SMC preferred shares...."

We confirm that the Company may redeem the outstanding and issued Series "1" preferred shares held by its stockholders.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer