



SAN MIGUEL CORPORATION

February 9, 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 February 9, 2012 with respect to the news article entitled: "SMC also eyeing Cavite rail" posted in The Manila Standard Today (Internet Edition) on February 9, 2012. The article reported in part that:

"Conglomerate San Miguel Corp. may bid for the design and construction of the P60 billion Light Rail Transit Line 1 Cavite Extension project, president Ramon Ang said Wednesday.

"SMC will join all government bidding to help our country get the best deal," Ang said in a text message when asked about the Company's interest in LRT Line 1, which government plans to auction within the first half.

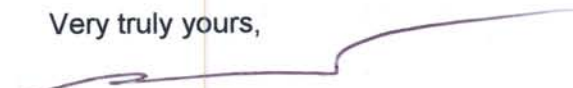
The P60-billion LRT 1 project, which will extend the rail system from Baclaran to Bacoor, Cavite, is being evaluated by the National Economic and Development Authority.

The LRT 1 project will extend the existing 15-kilometer LRT Line 1 system southward to Bacoor, Cavite by an additional 11.7 kilometers. The project will include eight passenger stations, with provisions for two additional future passenger stations.

It will include a satellite depot for light maintenance at the southern end of the proposed line, as well as intermodal facilities installed at high-demand stations.

We confirm that the statements of Mr. Ramon S. Ang, President and Chief Operating Officer of the Company, relating to the participation of the Company in the public bidding for the P60-billion Light Rail Transit Line 1 Cavite Extension project, as reported in the aforementioned article, are accurate. Such participation in Government-initiated infrastructure projects has been the subject of prior disclosures by the Company to the Exchange.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer