



SAN MIGUEL CORPORATION

April 10, 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 April 10, 2012 with respect to news article entitled "SMC Paying \$500M To Acquire 49% Stake in PAL, Airphil," published in the April 5, 2012 issue of the Manila Bulletin. The article reported in part that:

"San Miguel Corporation (SMC) has signed investment agreements with business taipan Lucio Tan for the acquisition of a minority stake in flag carrier Philippine Airlines Inc. (PAL) and low-cost partner Air Philippines Corporation (Air Phil) for \$500 million.

SMC President Ramon S. Ang confirmed in a mobile message that SMC will be acquiring shares equivalent to a 49 percent interest in PAL and Air Phil.

...."

We advise that the confirmation of Mr. Ramon S. Ang, President and Chief Operating Officer of the Company, relating to the investment in Philippine Airlines and Air Philippines Corporation by San Miguel Equity Investments, Inc., a wholly-owned subsidiary of the Company, in the aggregate amount of \$500 Million, as reported in the aforequoted article, is accurate. Kindly refer to the previous disclosures by the Company to the Exchange which describe the said investment.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer