



**SAN MIGUEL CORPORATION**

May 10, 2012

**The Philippine Stock Exchange, Inc.**  
Disclosure Department  
3<sup>rd</sup> 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 May 10, 2012 with respect to the news article entitled "SMC property unit to launch 5 projects," posted in the philSTAR.com on May 10, 2012. The article reported in part that:

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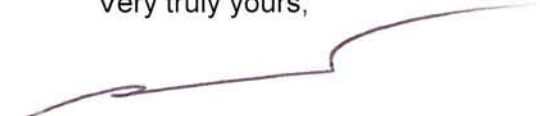
"Meanwhile, SMPI is looking at options to increase its 0.6-percent public float to the 10 percent requirement of the local stock exchange.

"One of the options being considered is declaring stock dividends to SMPI. SMC will declare stock dividends to its shareholders," SMPI manager Karen Cas-Caballa said."

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We advise that the Company and the other publicly-listed subsidiaries of the SMC Group, inclusive of San Miguel Properties, Inc. are evaluating the options that may be pursued and implemented by way of compliance with the 10% public float requirement imposed on listed entities.

Very truly yours,

  
**FERDINAND K. CONSTANTINO**  
Corporate Information Officer